

Lori Stratton

From: Larry Bonderud
Sent: Tuesday, June 20, 2017 2:55 PM
To: Jade Goroski; Lori Stratton
Subject: Fwd: Shelby Airport - FAA Grant Offer pending

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: Bill Burkland <bill@rpa-hln.com>
Date: June 20, 2017 at 3:34:22 PM EDT
To: Deb Brandon <dbrandon@toolecountymt.gov>, Commissioner Office <tccomm@toolecountymt.gov>, Mayor Bonderud <larry@shelbymt.com>
Cc: "'Joe.Nye@faa.gov'" <Joe.Nye@faa.gov>, Lance Bowser <lance@rpa-hln.com>
Subject: Shelby Airport - FAA Grant Offer pending

Dear Deb and Mayor Bonderud,

Joe Nye is preparing the FAA grant offer for this summer's Shelby Airport hangar construction project. He should be sending it to you this week, or possibly next. Would you please place an item on your agendas for "Execute the Airport's FAA Grant Offer", and keep it as a running item on the agenda until the grant arrives. This will assure compliance with Montana's Sunshine Law and allow speedy turnaround of the grant when it arrives.

If you have any questions at all, feel free to give me a call at one of the numbers below. Thank you for your assistance!

Sincerely,

Bill

Bill Burkland, P.E. | Assistant Airports Division Manager

Robert Peccia & Associates Inc. | PO Box 5653 | Helena, MT 59604
406.447.5000 | 406.447.5036 (fax) | 439-8756(c) | bill@rpa-hln.com
<http://www.rpa-hln.com>

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U.S. Department of Transportation
Federal Aviation Administration

GRANT AGREEMENT

PART I –OFFER

Date of Offer June 26, 2017

Airport/Planning Area Shelby

AIP Grant Number 3-30-0069-013-2017 (DOT-FA17NM-2014)

DUNS Number 060278330

TO: City of Shelby and County of Toole
(herein called the "Sponsor". The word "Sponsor" in this Grant Agreement also applies to a Co-Sponsor.)

FROM: **The United States of America**(acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated February 23, 2017 and amended May 30, 2017, for a grant of Federal funds for a project at or associated with the Shelby Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Shelby Airport (herein called the "Project") consisting of the following:

Construct Building

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. § 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. § 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor's acceptance of this Offer; and, (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided.

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$1,015,000.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$0 for planning
\$1,015,000 for airport development or noise program implementation; and,
\$0 for land acquisition.

The source of this grant may include funding from the Small Airport Fund.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR §200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR §200.343).

The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies, and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
5. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies, and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
6. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
7. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before July 22, 2017, or such subsequent date as may be prescribed in writing by the FAA.
8. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other

final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

9. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.
10. **System for Award Management (SAM) Registration And Universal Identifier.**
- A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
 - B. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5771) or on the web (currently at <http://fedgov.dnb.com/webform>).
11. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
12. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.
- The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of condition No. 1.
- The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.
- An informal letter amendment has the same force and effect as a formal grant amendment.
13. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this agreement.
14. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
15. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.
16. **Maximum Obligation Increase For Nonprimary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:

- A. May not be increased for a planning project;
 - B. May be increased by not more than 15 percent for development projects;
 - C. May be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.
- 17. Audits for Public Sponsors.** The Sponsor must provide for a Single Audit or program specific audit in accordance with 2 CFR part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Provide one copy of the completed audit to the FAA if requested.
- 18. Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR §180.200, the Sponsor must:
- A. Verify the non-federal entity is eligible to participate in this Federal program by:
 - 1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-federal entity is excluded or disqualified; or
 - 2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
 - 3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
 - B. Require prime contractors to comply with 2 CFR §180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
 - C. Immediately disclose to the FAA whenever the Sponsor (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debar a contractor, person, or entity.
- 19. Ban on Texting While Driving.**
- A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 - 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 - 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
 - B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.
- 20. Exhibit "A" Property Map.** The Exhibit "A" Property Map included with ALP dated November 18, 2014, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

21. Employee Protection from Reprisal.**A. Prohibition of Reprisals –**

1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or
 - v. A violation of law, rule, or regulation related to a Federal grant.
2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal office or employee responsible for oversight of a grant program;
 - v. A court or grand jury;
 - vi. A management office of the grantee or subgrantee; or
 - vii. A Federal or State regulatory enforcement agency.
3. Submission of Complaint – A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
4. Time Limitation for Submittal of a Complaint - A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
5. Required Actions of the Inspector General – Actions, limitations and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b)
6. Assumption of Rights to Civil Remedy - Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).

22. **Co-Sponsor.** The Co-Sponsors understand and agree that they jointly and severally adopt and ratify the representations and assurances contained therein and that the word "Sponsor" as used in the application and other assurances is deemed to include all co-sponsors.
23. **Airport Layout Plan.** The Sponsor understands and agrees to update the Airport Layout Plan to reflect the construction to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Airport Layout Plan Map is an allowable cost within the scope of this project.
24. **DBE Plan.** The Sponsor understands and agrees that the FAA will not make nor be obligated to make any payments on this grant until the Sponsor has submitted its DBE Plan to the FAA Office of Civil Rights.
25. **Small Airport Fund.** The source of this grant may include funding from the Small Airport Fund.
26. **Revenue Producing Project.** The Sponsor agrees and understands that the Sponsor has certified to the FAA that it has made adequate provisions for financing its airside needs. Further, the Sponsor agrees it will not seek AIP discretionary grant funds for the airside needs of the airport for the two fiscal years following

the fiscal year in which this grant is issued. All revenue generated by this project must be used for the operation and maintenance of the Airport in accordance with the grant assurances.

- 27. Financial Reporting Requirements.** The Sponsor agrees to submit a **Federal Financial Report** (FAA Form SF-425) for all open grants to the Airports District Office within 90 days following the end of each Federal fiscal year and with each Final Project Closeout Report.

The Sponsor further agrees to submit an **Outlay Report and Request for Reimbursement** (FAA Form SF-271 for construction projects) or **Request for Advance or Reimbursement** (FAA Form SF-270 for non-construction projects) to the Airports District Office within 90 days following the end of each Federal fiscal year and with each Final Project Closeout Report.

- 28. Final Payment.** The Sponsor understands and agrees that in accordance with 49 USC 47111, no payments totaling more than 90 percent of United States Government's share of the project's estimated allowable cost may be made before the project is determined to be satisfactorily completed.

If the project is determined to be satisfactorily complete and proper documentation is submitted by the Sponsor to the Airports District Office (ADO), then the ADO may approve payments up to 97.5 percent of United States Government's share of the project's estimated allowable cost. "Satisfactorily complete" means the following: (1) The project results in a complete, usable unit of work as defined in the grant agreement; and (2) The sponsor submits necessary documents showing that the project is substantially complete per the contract requirements, or has a plan (that FAA agrees with) that addresses all elements contained on the punch list.

- 29. Sponsor Performance Report.**

- A. **For non-construction projects** – the Sponsor understands and agrees that in accordance with 2 CFR §200.328 the Sponsor shall submit a Quarterly Performance Report to the Airports District Office (ADO) within 30 calendar days from the end of the quarter, beginning in the quarter in which the project begins, and for each following quarter until the project is substantially complete. If a major project or schedule change occurs between Quarterly Performance Reports, the sponsor must submit an out of cycle performance report to the ADO. The performance report for non-construction projects shall include the following as a minimum:
1. A comparison of proposed objectives to actual accomplishments.
 2. Reasons for any slippage or lack of accomplishment in a given area.
 3. Impacts on other AIP-funded projects.
 4. Impacts to projects funded by PFC, other FAA programs, or the sponsor.
 5. Identification and explanation of any anticipated cost overruns.
- B. **For construction projects** – FAA Form 5370-1 Construction Progress and Inspection Report satisfies the performance reporting requirement. The sponsor must submit FAA Form 5370-1 to the ADO on a **weekly basis** during construction and at least quarterly when the project is in winter shutdown, until the project is substantially complete. Form 5370-1 requires the following information:
1. Estimated percent completion to date of construction phases.
 2. Work completed or in progress during the period.
 3. Brief Weather Summary during the period including approximate rainfall and period of below freezing temperature.
 4. Contract time: Number of days charged to date and last working day charged.
 5. Summary of laboratory and field testing during the period.
 6. Work anticipated by the contractor for the next period.
 7. Problem areas and other comments.

- 30. Grant Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA approval of this grant is based on FAA acceptance of the Sponsor's certification to carry out the project in accordance with FAA policies, standards, and specifications. The Sponsor Certifications received from the Sponsor for the work included in this grant are hereby incorporated into this grant agreement. The Sponsor understands that:
- A. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project;
 - B. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements;
 - C. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under AIP.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**


(Signature)

William C. Garrison
(Typed Name)

Manager, Helena Airports District Office
(Title of FAA Official)

PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.¹

Executed this _____ day of _____, _____.

City of Shelby, Montana

(Name of Sponsor)

(Signature of Sponsor's Authorized Official)

By:

(Typed Name of Sponsor's Authorized Official)

Title:

(Title of Sponsor's Authorized Official)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Montana. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at _____(location) this _____ day of _____,

By:

(Signature of Sponsor's Attorney)

¹Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

6/29/2017

Current Rates			
Minimum Meter Charges			
	3/4" or 5/8" Meter		\$43/month (0-2,000gals)
	1" or 1 1/4" Meter		\$50/month (0-3,000gals)
	1 1/2" Meter		\$62/month (0-6,974 gals)
	2" Meter		\$92.05/month (0-18,675 gals)
	3" Meter		\$112.55/month (0-26,670 gals)
	4" Meter		\$182.10/month (0-79,240 gals)
Monthly Metered Rates for users above Meter Charges			
			First 2,000 gallons \$21.50 per 1,000 gallons
			Next 1,000 gallons \$7.00 per 1,000 gallons
			Next 7,000 gallons \$3.02 per 1,000 gallons
			Next 10,000 gallons \$2.41 per 1,000 gallons
			Next 25,000 gallons \$1.79 per 1,000 gallons
			Over 45,000 gallons \$1.23 per 1,000 gallons
Irrigation Rates \$.73 per 1,000 gallons			
Proposed Rates			
Minimum Meter Charges		EDU	
1058	3/4" or 5/8" Meter	1	\$43/month (0-5,000gals)
143	1" or 1 1/4" Meter	1.2	\$51.60/month (0-6,000gals)
13	1 1/2" Meter	1.5	\$64.50/month (0-7,500 gals)
19	2" Meter	4	\$172.00/month (0-20,000 gals)
5	3" Meter	6	\$258.00/month (0-30,000 gals)
7	4" Meter +	15.9	\$683.70/month (0-79,500 gals)
Monthly Metered Rates for users above Meter Charges			
			\$2.23 per 1,000 gallons above meter rate
Irrigation Rates \$.73 per 1,000 gallons			

**MONTANA DEPARTMENT OF COMMERCE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CONTRACT #MT-CDBG-ED16-01**

This Contract is entered into by the City of Shelby (DUNS #098708688), (the Grantee), and the Montana Department of Commerce, Helena, Montana, (the Department).

The Grantee and the Department hereby agree to the following terms:

Section 1. PURPOSE

The purpose of this Contract is to provide funding to the Grantee for project activities approved by the Department under the Montana Community Development Block Grant Program (hereinafter "CDBG" or "Program").

Section 2. AUTHORITY

This Contract is issued under authority of Section 90-1-103, MCA, and the Administrative Rules of Montana, Title 8, Chapter 94, Subchapter 37.

Section 3. APPLICATION INCORPORATED BY REFERENCE

The Grantee's application for Program assistance, including any written modifications resulting from the review of the application by the Department (collectively, the "Project"), is specifically incorporated into this Contract by this reference and the representations made therein are binding upon the Grantee.

Section 4. ACCEPTANCE OF PROGRAM REQUIREMENTS

- (a) The Grantee will comply with all applicable parts of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §§ 5301, *et seq.*; the applicable Department of Housing and Urban Development (HUD) regulations, including but not limited to 24 CFR Part 570 and Form HUD-4010, as now in effect or as may be amended during the term of this Contract, and all administrative directives and procedures that may be established or amended by the Department for the Program, including the most current version of the CDBG/NSP Grant Administration Manual; and all other applicable local, state, and federal laws, regulations, administrative directives, procedures, ordinances, or resolutions.

- (b) The Grantee agrees that all contracts and subcontracts entered into for the completion of the activities described in Section 6, SCOPE OF WORK will require such contractors, subcontractors, and subrecipient entities to also comply with all applicable local, state, and federal laws, regulations, administrative directives, procedures, ordinances, and resolutions, including the most current version of the CDBG/NSP Grant Administration Manual, as amended.
- (c) The Grantee agrees that the Project will adhere to all applicable design standards required by the Department of Environmental Quality (DEQ) and obtain all applicable federal, state, and local permits required for the project. If no DEQ standards are applicable to the Project, the Grantee agrees that the Project will adhere to generally accepted industry standards, such as *Recommended Standards for Wastewater Facilities* or *Recommended Standards for Water Works*, published by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers, latest edition.
- (d) The Grantee expressly agrees to repay to the Department any funds advanced under this Contract that the Grantee, its contractors, subcontractors, or subrecipient entities, or any public or private agent or agency to which it delegates authority to carry out portions of this Contract, expends in violation of the terms of this Contract, the statutes and regulations governing the Program, or any applicable local, state, or federal requirements.

Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE

- (a) This Contract shall take effect upon execution by the parties and will terminate on December 31, 2018 or upon approval of Grantee's Project Completion Report by the Department, whichever is earlier, unless otherwise terminated in accordance with Section 18 or Section 24 of this Contract.
- (b) All authorized expenses to be reimbursed must be incurred by the Grantee between October 27, 2016 and prior to the date of termination of the Contract pursuant to Section 5(a). All Requests for Reimbursement must be submitted to the Department within 90 days after the Department's approval of the Grantee's Project Completion Report.
- (c) The activities to be performed by the Grantee will be completed according to the implementation schedule set forth in Exhibit A. The Grantee may modify the implementation schedule set forth in Exhibit A only upon obtaining the prior written approval of the Department.

- (d) The Department may grant a Contract extension upon request by the Grantee if the Department determines, in its sole discretion, that the Grantee has demonstrated progress toward completion of the Project; has engaged in a good faith effort to comply with the duties, terms, and conditions of this Contract, and that the failure to comply with any of those services, duties, terms, or conditions resulted from circumstances beyond the Grantee's control. A written request for an extension must be submitted at least 60 days prior to the termination date of the Contract.

Section 6. SCOPE OF WORK

The Grantee will complete the Project and administer this Contract in compliance with the Project Management Plan approved by the Department and as may be amended from time to time by mutual agreement of the parties, specifically incorporated herein by this reference and binding upon the Grantee. The Grantee will use CDBG funds for the following major components of the Project:

- Extension of city water lines to Humic Growth Solutions
- The Creation of 16 new jobs by Humic Growth Solutions, 51% of which will be LMI; and
- the administration of this Contract.

Section 7. BUDGET

- (a) The total amount to be awarded to the Grantee under this Contract will not exceed \$400,000.
- (b) A copy of the preliminary Project budget is attached hereto as Exhibit B and specifically incorporated herein by this reference. After construction bids are awarded or other major Project activity cost elements are determined, the Grantee shall provide the Department with a final Project budget, which, upon receipt and approval by the Department, will supersede the preliminary budget in Exhibit B and thereby be incorporated as part of this Contract and binding upon the Grantee.
- (c) For budget adjustments of \$5,000 or less between line items of the CDBG portion of Exhibit B, Department approval of the Request for Reimbursement form will constitute approval of the budget adjustment. The Grantee shall describe the rationale for a budget adjustment in the Project Progress Report and note the adjustments in the Request for Reimbursement and Status of Funds Report submitted to the Department. Budget adjustments in excess of \$5,000 between any line item of Exhibit B must be approved in advance by the Department.

(d) **PROGRAM INCOME**

- (i) The Grantee may retain program income received before Project closeout, but such income must be treated as additional CDBG funds and subject to all applicable requirements governing the use of CDBG funds.
- (ii) If the Grantee chooses to retain program income received before Project closeout, a preliminary program income plan in compliance with the most recent version of the Department's Program Income Manual for Revolving Loan Funds must be developed and submitted for review and written approval by the Department.
- (iii) Grantee will record receipt and expenditure of retained program income as part of the financial transactions of the Project.
- (iv) At the end of each calendar year during the term of this Contract, the Grantee must remit all program income balances (including investments thereof) held by the Grantee, its contractors, subcontractors, and sub recipient entities that exceed one-twelfth of the Department's total award to the Grantee, to be placed in the Grantee's funding reserve.
- (v) The Grantee must expend substantially all program income it receives before requesting additional CDBG funds. The Department will deduct the amount of program income on hand, shown on the drawdown form, from the amount requested by the Grantee.
- (vi) If the Grantee desires to retain program income received after Project closeout, the Grantee must execute a grant closeout agreement with the Department at the time of closeout that describes the Grantee's responsibility for compliance with requirements governing program income received subsequent to grant closeout.

- (e) Any authorized funds under this grant not obligated on or before December 31, 2018 or a later date if approved by the Department pursuant to Section 5, or otherwise accounted for in accordance with the provisions of this Section, will revert to the Department and may be used, at the Department's discretion, to finance other CDBG projects.

Section 8. METHOD OF REIMBURSEMENT

- (a) The Department will use the funds allocated to the State by HUD to fund project activities by Grantees that have received a Notice of Award letter from the Department. The Grantee acknowledges that its access to such funds is subject to their availability.
- (b) The Department agrees that, if and when the funds described in paragraph (a) of this Section are available, the Department will authorize the Grantee to request

reimbursement from funding awarded for the Project. In drawing against the reserved amount, the Grantee will follow the instructions supplied by the Department.

- (c) The Department agrees to reimburse the Grantee as set forth in this Section for successfully completing the activities set forth in Section 6 SCOPE OF WORK as eligible Project costs are incurred on or after October 27, 2016, supported by adequate documentation submitted by the Grantee, and upon the Department's approval of the Grantee's Request for Reimbursement. Unless previously agreed to in writing by the Department, the Department will not reimburse Grantee for any costs related to land acquisition, construction, construction inspection, or contingency line items in Exhibit B until Grantee documents that all applicable permits for the project have been obtained, as required in Section 4(c). In requesting reimbursement, the Grantee will follow the instructions supplied by the Department.
- (d) The Department will not reimburse the Grantee for any costs incurred prior to October 27, 2016; for any expenses not included in Exhibit B or an approved adjustment thereto; for any ineligible expenses as set forth in the most current version of the CDBG/NSP Grant Administration Manual; or for any expenses not clearly and adequately supported by the Grantee's records. Reimbursement for any project expenses incurred is contingent upon the Grantee's completion of Section 18, SPECIAL PROJECT START-UP CONDITIONS.
- (e) As further set forth in Section 24 TERMINATION OF CONTRACT, if the Grantee fails to or is unable to comply with any of the terms and conditions of this Contract, any costs incurred will be the Grantee's sole responsibility.
- (f) The Department is allowed 15 working days to process a Request for Reimbursement once adequate supporting documentation has been received by the Department. The Grantee shall provide banking information at the time of Contract execution in order to facilitate electronic funds transfer payments.
- (g) If the Grantee changes one of its sources of funding or the cost of the Project increases after the Grantee has obtained the firm commitment of non-CDBG funds, the Department may, at its discretion, suspend the distribution of CDBG funds until the Grantee obtains a firm commitment of funds for the full Project budget.
- (h) The Department will withhold two percent (2%) of the total authorized grant amount until all tasks outlined in Section 6, SCOPE OF WORK, are completed and approved by the Department and the Grantee's Project Completion Report is received and approved by the Department. Within 60 days after the completion of the Project, the Grantee will

prepare and submit to the Department a Project Completion Report in the form prescribed by the Department. The Department will disburse this withholding upon receipt and approval by the Department of the Grantee's Project Completion Report. The Department will issue a final Project close-out approval when the grantee has fulfilled all requirements as set forth in the most current version of the CDBG/NSP Grant Administration Manual. Prior to receipt of the Project Completion Report, the Department liaison may authorize release of part or all of the withholding when situations occur that would result in an undue financial hardship on the Grantee, provided the Grantee has demonstrated effective overall management of this Project and, when applicable, satisfactorily managed any earlier CDBG projects. If the Grantee fails to submit a Project Completion Report within the 60 days, the Department may consider whether these remaining funds should be reallocated by the Department to other unfunded or inadequately funded activities, whether or not related to the SCOPE OF WORK set forth herein or to the Grantee, or added to the following year's CDBG allocation.

- (i) If actual Project expenses are lower than projected by the Grantee in Exhibit B, or the Grantee obtains a greater amount of grant funds from other sources than as presented in the Project application, the Department, at its sole discretion, may reduce the amount of Program funds to be provided to the Grantee under this Contract in proportion to all other project funding sources.
- (j) If the Department determines that the Grantee has failed to satisfactorily carry out its responsibilities under this Contract or has breached the terms of this Contract, the Department may withhold reimbursement to the Grantee until such time as the Department and the Grantee agree on a plan to remedy the deficiency.
- (k) At the request of the Department, Requests for Reimbursement for contracted or subcontracted services must attach appropriate documentation demonstrating compliance with contract requirements.
- (l) If needed, the Grantee's travel expenses, meals, and lodging will be reimbursed at the prevailing state rate at the time such expense is incurred.
- (m) The Grantee may not use monies provided through this Contract as payment for Project costs that are reimbursed from other sources.
- (n) If any obligations remain as of the date of Project closeout, the Department shall prepare and the parties shall execute a Closeout Agreement specifying the conditions and requirements governing those remaining obligations, in accordance with the requirements set forth in 24 CFR § 570.509(c).

Section 9. REPORTING REQUIREMENTS

- (a) Quarterly Update Reports. During the term of this Contract, the Grantee must submit a quarterly update report. This report shall follow the report format specified in the most recent version of the CDBG/NSP Grant Administration Manual, and shall describe the status of the activities set forth in Section 6, SCOPE OF WORK, including, at a minimum, the percentage completed, costs incurred, funds remaining, and projected completion date. The report must also describe any significant problems encountered in carrying out the Project, and the scope of any necessary modifications the Grantee is requesting in the Project scope of work, budget, or implementation schedule. The Grantee must submit the quarterly update report to the Department fifteen (15) days prior to the close of each calendar quarter. The Department, at its sole discretion, may decline to honor any Request for Reimbursement if the required quarterly update report has not been submitted to or approved by the Department.
- (b) Project Progress Reports. During the term of this Contract, the Grantee must submit project progress reports to the Department with each Request for Reimbursement. The report will describe the use of the funds requested for each budget line item. The report should also describe any anticipated changes in the budgeted amounts. The Department, at its sole discretion, may decline to honor any Request for Reimbursement if the required project progress report has not been submitted to or approved by the Department.
- (c) Uniform Status of Funds Reporting. During the term of this Contract, the Grantee will submit a Uniform Status of Funds Report with each Request for Reimbursement.
- (d) Project Completion Report. Upon completion of the Project, the Grantee must submit a final Project Completion Report for approval by the Department. The Project Completion Report will describe the total costs incurred for the Project, identify the final completion date, and summarize any significant problems encountered in carrying out the Project. Within 30 working days of receiving the Project Completion Report, the Department will issue the Notice of Project Close-out.

Section 10. LIAISONS

All project management and coordination on behalf of the Department shall be through a single point of contact designated as the Department's liaison. Grantee shall designate a liaison that will provide the single point of contact for management and coordination of Grantee's work. All work performed pursuant to this Contract shall be coordinated between the State's liaison and the Grantee's liaison. The liaisons for this Contract are:

For the Department:

Debra Demarais (or successor)
CDBG-ED Program Manager, MDOC
301 S. Park Ave.
P.O. Box 200523
Helena, MT 59620-0523
406-841-2770
ddemarais@mt.gov

For the Grantee:

Larry Bonderud, Mayor (or successor)
City of Shelby
112 1st Street South
Shelby MT 59474
406-434-5222
larry@shelbymt.com

Section 11. ACCESS TO AND RETENTION OF RECORDS

- (a) The Grantee agrees to create and maintain records supporting the services covered by this Contract, including but not limited to financial records, supporting documents, and such other records as are required by law or other authority, for a period of four (4) years after either the completion date of the Contract or the conclusion of any claim, litigation, or exception relating to the Contract taken by the State of Montana or third party, whichever is later. These records will be kept in the Grantee's offices in Shelby, Montana.
- (b) The Grantee shall provide the Department, HUD, Comptroller General of the United States, Montana Legislative Auditor, or their authorized agents access to any records necessary to determine Contract compliance.
- (c) The Grantee agrees to include in first-tier subcontracts under this Contract a clause substantially the same as paragraphs 11(a) and (b).

Section 12. PROJECT MONITORING

The Department or any of its authorized agents may monitor and inspect all phases and aspects of the Grantee's performance to determine compliance with the SCOPE OF WORK, the proper

use of funds, and other technical and administrative requirements of this Contract, including the adequacy of the Grantee's records and accounts. The Department will advise the Grantee of any specific areas of concern and provide the Grantee opportunity to propose corrective actions acceptable to the Department.

Section 13. COMPLIANCE WITH APPLICABLE LAWS

- (a) The Grantee must, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973, the Patient Protection and Affordable Care Act (“Affordable Care Act”), and Executive Order No. 12-2015 Amending and Providing For Implementation of the Montana Sage Grouse Conservation Strategy. Any subletting or subcontracting by the Grantee subjects subcontractors to the same provisions.
- (b) In accordance with Section 49-3-207, MCA and Executive Order No. 04-2016, the Grantee agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, sex, pregnancy, childbirth or medical conditions related to childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status.
- (c) The Affordable Care Act requires a Grantee, if Grantee is an applicable large employer under the ACA, to provide healthcare coverage for its employees, who provide services for the State and work for 30 or more hours per week. This coverage must also cover the eligible employee’s dependents under the age of 26. The coverage must (a) meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions under Section 4980H of the Code (ACA), and (b) otherwise satisfy the requirements of the Code § 4980 H (ACA) if provided by the State.

Section 14. ACCOUNTING, COST PRINCIPLES, AND AUDITING

- (a) The Grantee, in accordance with Sections 2-7-503 and 18-4-311, MCA and other authorities, must maintain for the purposes of this Contract an accounting system of procedures and practices that conforms to Generally Accepted Accounting Principles (GAAP).

- (b) The Department or any other legally authorized governmental entity or their authorized agents may, at any time during or after the term of this Contract, conduct, in accordance with Sections 2-7-503, 5-13-304, and 18-1-118, MCA and other authorities, audits for the purposes of ensuring the appropriate administration, expenditure of the monies, and delivery of services provided through this Contract.

Section 15. AVOIDANCE OF CONFLICT OF INTEREST

- (a) The Grantee will comply with the provisions of the applicable HUD regulations of 24 C.F.R. Parts 84, 85, and 570.611, and with Sections 2-2-121, 2-2-201, 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA (as applicable), and any other applicable local, state, or federal law regarding the avoidance of conflict of interest.
- (b) The Grantee agrees that none of its officers, employees, or agents will solicit or accept gratuities, favors, or anything of monetary value from contractors, subcontractors, or potential contractors and subcontractors who provide or propose to provide services relating to the project funded under this Contract.
- (c) The Grantee shall promptly refer to the Department any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted any false claim or has committed any criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Contract.

Section 16. OWNERSHIP AND PUBLICATION OF MATERIALS

- (a) All reports, information, data, and other materials prepared by the Grantee, or any of its contractors or subcontractors, in furtherance of this Contract are the property of the Grantee and the Department, which both have the royalty-free, nonexclusive, and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, in whole or part, such property and any information relating thereto. No material produced in whole or in part under this Contract may be copyrighted or patented in the United States or in any other country without the prior written approval of the Department and the Grantee.
- (b) To the extent the funds awarded under this Contract will be used by any small business firm or non-profit organization, as defined in 37 C.F.R. 401.2, such firm(s) or organization(s) are subject to the standard patent rights clause set forth in its entirety in 37 C.F.R. 401.14 and specifically incorporated herein by this reference.

Section 17. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

- (a) The Grantee may subcontract any portion of this Contract to accomplish the completion of the Project. The Grantee shall not otherwise assign or transfer any portion of this Contract without the express written consent of the Department. Grantee accepts responsibility for the adherence to the terms of this Contract by any contractors, subcontractors, or subrecipient entities and by any public or private agents or agencies to which it delegates authority to carry out any portion(s) of this Contract.
- (b) The Grantee's assignment, transfer, or subcontract of this Contract or any portion thereof neither makes the Department a party to that agreement nor creates any right, claim, or interest in favor of any party to that agreement against the Department. No contractual relationships exist between any subcontractor, assignee, or transferee and the Department.
- (c) The Grantee must immediately notify the Department of any litigation concerning any assignment, transfer, or subcontract of this Contract or any portion thereof.

Section 18. SPECIAL PROJECT START-UP CONDITIONS

If the Grantee has not completed all Project start-up conditions by July 27, 2018 the contract may be terminated by the Department. The Grantee will not obligate or utilize funds for any activities provided for by this Contract until:

- (a) The Grantee completes an Environmental Review Record and the Department issues a Notice of Release of Funds; however, upon receiving written authorization from the Department, the Grantee may incur costs necessary for the preparation of the Environmental Review Record and for planning activities defined as exempt under 24 CFR Part 58.34.
- (b) The Grantee submits to the Department evidence of the firm commitment of the other financial resources necessary for the completion of the Project as defined in Section 6, SCOPE OF WORK, and Exhibit A, within the budget set forth in Exhibit B.
- (c) The Grantee submits to the Department and the Department approves an acceptable Project Management Plan, Implementation Schedule, and Budget.
- (d) The Grantee completes the civil rights activities described in Chapter 5, "Civil Rights," of the current version of the Department's CDBG Grant Administration

Manual. The Department, at its sole discretion, may approve a deferral of certain elements of this requirement.

- (e) The Grantee submits to the Department an executed agreement with Humic Growth Solutions indicating that Humic will comply with the job creation schedule, expenditure schedule, provide regular information for progress reports, and agrees to repay funds if the required number of jobs are not created as agreed to in this contract.

Section 19. HOLD HARMLESS AND INDEMNIFICATION

The Grantee agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Grantee's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Grantee and/or its agents, employees, representatives, assigns, subcontractors under this Contract.

Section 20. INSURANCE

- (a) General Requirements. Grantee shall maintain and shall assure that its representatives, assigns, and subcontractors maintain for the duration of the Contract, at their own cost and expense, liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the duties and obligations in the Contract by Grantee, its agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission. The State, its officers, officials, employees, and volunteers are to be covered as additional insured's for all claims arising out of the use of grant proceeds provided by the State of Montana.
- (b) General Liability Insurance. At its sole cost and expense, the Grantee shall purchase occurrence coverage with minimum combined single limits of \$1 million per occurrence and \$2 million aggregate per year, or as established by statutory Tort limits of \$750,000 per claim and \$1,500,000 per occurrence as provided by a self-insurance pool insuring counties, cities, or towns, as authorized under Section 2-9-211, MCA.
- (c) Professional Liability Insurance. Grantee shall assure that any representatives, assigns, and subcontractors performing professional services under this Contract purchase occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per

occurrence and \$2,000,000 aggregate per year. Note: if "occurrence" coverage is unavailable or cost prohibitive, the Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three (3) year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

- (d) Property Insurance. At its sole cost and expense, the Grantee shall maintain property and hazard insurance, including course of construction coverage, and earthquake insurance in areas where there is a shaking level above 10g (see map at <http://rmtd.mt.gov/Portals/62/aboutus/publications/files/NEHRP.pdf>) for loss or damage for any building related to the use of grant proceeds, and all related improvements and contents therein, on a replacement cost basis throughout the term of the Contract.
- (e) General Provisions. All insurance coverage shall be placed with a carrier licensed to do business in the State of Montana or by a domiciliary state and with a Best's rating of at least A-, or by a public entity self-insured program either individually or on a pool basis as provided by Title 2, MCA. All certificates and endorsements are to be received by the Department prior to beginning any activity provided for under the Contract. Grantee shall notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverage, change in status of policy, etc. The Department reserves the right to request complete copies of Grantee's insurance policy at any time, including endorsements.

Section 21. DEBARMENT

The Grantee certifies and agrees to ensure during the term of this Contract that neither it nor its principals, contractors, subcontractors, or subrecipient entities are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily or otherwise excluded from or ineligible for participation in this Contract or in any federal assistance programs under Executive Order 12549, "Debarment and Suspension" or by any governmental department or agency.

Section 22. CONTRACT AMENDMENT

- (a) Except as otherwise set forth herein, this Contract may not be enlarged, modified, or altered except upon written agreement by all parties to the Contract.
- (b) The Department will agree to an amendment only if the Grantee clearly demonstrates that the modification is justified and will enhance the overall impact of the original Project.

The Department will consider each request to determine whether the modification is substantial enough to necessitate reevaluating the Project's original ranking. If warranted, the Department will analyze the impact of the proposed modification on the scores assigned to the Grantee's application in the original grant competition.

- (c) The Department will not approve amendments to the SCOPE OF WORK or the BUDGET that will affect high priority activities or improvements that would materially alter the circumstances under which the original application was ranked by the Department.
- (d) If the Department determines that a proposed amendment represents a substantial change in the Project activities proposed in the original application for CDBG funds, the Grantee will hold a local public hearing on the amendment with reasonable notice and may require further environmental review.

Section 23. PROPERTY MANAGEMENT

Title to real property or equipment acquired under this Contract or a subcontract thereto will vest, upon acquisition, in the Grantee or subgrantee, respectively. The Grantee or subgrantee shall use, manage, and dispose of this property or equipment in accordance with the applicable requirements set forth in 24 CFR Parts 85 and 570. All real property within the Grantee's control that was acquired or improved in whole or in part using the CDBG funds awarded pursuant to this Contract shall be subject to the standards set forth in 24 C.F.R. § 570.505 during the duration of this Contract term and for five years after closeout of the Project. In all cases in which equipment acquired pursuant to this Contract is sold, the proceeds shall be program income.

Section 24. TERMINATION OF CONTRACT

This Contract may only be terminated in whole or in part as follows:

- (a) Termination Due to Loss or Reduction of Funding. The Department, at its sole discretion, may terminate or reduce the scope of this Contract if any funding sources are eliminated or reduced for any reason. If a termination or modification is so required, the Department may, if sufficient Program funds are available, compensate the Grantee for eligible services rendered and actual, necessary, and eligible expenses incurred as of the revised termination date. The Department will notify the Grantee of the effective date of the termination or modification of this Contract and, if a reduction in funding is required, will provide the Grantee with a modified Project budget.
- (b) Termination for Cause with Notice to Cure Requirement. The Department may terminate this Contract for failure of the Grantee, its contractors, subcontractors, or subrecipient entities to perform or comply with any of the services, duties, terms, or

conditions contained in this Contract after giving the Grantee written notice of the stated failure. The written notice will demand performance of the stated failure within a specified period of time of not less than thirty (30) days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

- (c) Effect of Termination. In the event of termination due to the Grantee's, its contractors', subcontractors', or subrecipient entities' failure to perform or comply with any of the services, duties, terms, or conditions of this Contract, any costs incurred will be the responsibility of the Grantee. However, at its sole discretion, the Department may approve requests by the Grantee for reimbursement of expenses incurred. The Department's decision to authorize payment of any costs incurred or to recover expended Program funds will be based on a consideration of the extent to which the expenditure of those funds represented a good faith effort of the Grantee to comply with the any of those services, duties, terms, or conditions of this Contract, and on whether the failure to comply with any of those services, duties, terms, or conditions resulted from circumstances beyond the Grantee's control.

Section 25. DEFAULT

Failure on the part of either party to perform the provisions of the Contract constitutes default. Default may result in the pursuit of remedies for breach of contract as set forth herein or as otherwise available in law or equity, including but not limited to damages and specific performance.

Section 26. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Grantees are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with Sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the Grantee nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the Contract. Proof of compliance and renewal documents must be sent to the Department.

Section 27. FORCE MAJEURE

Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable

control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

Section 28. SEPARABILITY

A declaration by any court, or any other binding legal forum, that any provision of the Contract is illegal and void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually dependent.

Section 29. NOTICE

All notices required under the provisions of the Contract must be in writing and delivered to the parties' liaisons as identified herein either by first class mail or personal service.

Section 30. NO ARBITRATION

Unless otherwise agreed to in writing or provided for by law, arbitration is not available to the parties as a method of resolving disputes that would arise under this Contract.

Section 31. REFERENCE TO CONTRACT

The Contract number must appear on all invoices, reports, and correspondence pertaining to the Contract.

Section 32. NO WAIVER OF BREACH

No failure by the Department to enforce any provisions hereof after any event of breach shall be deemed a waiver of its rights with regard to that event, or any subsequent event. No express failure of any event of breach shall be deemed a waiver of any provision hereof. No such failure or waiver shall be deemed a waiver of the right of the Department to enforce each and all of the provisions hereof upon any further or other breach on the part of the Grantee.

Section 33. JURISDICTION AND VENUE

This Contract is governed by the laws of Montana. The parties agree that any litigation concerning this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

Section 34. INTEGRATION

The Contract contains the entire agreement between the parties, and no statements, promises, or inducements of any kind made by either party, or the agents of either party, not contained herein or in a properly executed amendment hereto are valid or binding.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties hereto have caused this Contract to be executed.

City of Shelby

Larry Bonderud 6/27/2017
Larry Bonderud, Mayor Date

ATTEST:

Jade Goroski
Jade Goroski, Chief Finance Officer

APPROVED AS TO FORM:

Bill Hunt
Bill Hunt, Attorney

MONTANA DEPARTMENT OF COMMERCE:

Pam Haxby-Cote 6/27/2017
Pam Haxby-Cote, Director Date
Montana Department of Commerce

**EXHIBIT A
CITY OF SHELBY
PROJECT IMPLEMENTATION SCHEDULE**

TASKS	QUARTERS 2017				QUARTERS 2018			
	1ST	2ND	3RD	4TH	1ST	2ND	3RD	4TH
PROJECT START UP								
Set up Project Files			X					
Submit firm commitment of all funding			X					
Submit all required start-up documents			X					
Secure Full Release of Funds			X					
PROJECT DESIGN								
Complete project design			X					
Prepare construction bid documents			X					
CONSTRUCTION BIDDING								
Review Commerce contract requirements				X				
Publish public bid solicitation				X				
Open bids and examine proposals.				X				
Where applicable, request CDBG state and federal debarment/ check of contractor/principals and subs/principals					X			
Award contract to lowest responsible bidder					X			
Submit executed contract to Commerce					X			
PROJECT CONSTRUCTION								
Conduct pre-construction conference.						X		
Issue Notice to Proceed						X		
Monitor engineer and Contractor(s)						X	X	
If applicable, conduct labor compliance reviews						X	X	
Hold construction progress meetings						X	X	
Final Inspection							X	
PROJECT CLOSE OUT								
Contract Termination Date								X
Submit certification of substantial completion (or its equivalent)								X
Submit final Request for Reimbursement and Project Completion Report								X

**EXHIBIT B: City of Shelby
Project Budget**

	SOURCE: CDBG-ED	SOURCE: EDA	SOURCE: City	SOURCE:	TOTAL
Personnel Costs	\$2,000	\$2,000			\$4,000
Office Costs	\$500	\$500			\$1,000
Professional Services					
Legal Costs					
Travel & Training					
TOTAL ADMIN COSTS	\$2,500	\$2,500			\$5,000
Engineering	\$75,000	\$106,000			\$181,000
Easements	\$29,000				\$29,000
Construction	\$293,500	\$341,500	\$270,000		\$905,000
Contingency					
TOTAL ACTIVITY COSTS	\$397,500	\$447,500	\$270,000		\$1,115,000
TOTAL PROJECT BUDGET	\$400,000	\$450,000	\$270,000		\$1,120,000

CDD CONTRACT INFORMATION SHEET

Division staff are required to complete the items in blue print.

Date of Gov. Award Letter:	<u>10/27/2016</u>	Date Met StartUp Conditions:	_____
Contract Number:	<u>MT-CDBG-ED16-01</u>	Division:	_____
Contractor's Name:	<u>City of Shelby</u>	CDD	_____
Approved to Form Name:	<u>Bill Hunt</u>		
Approved to Form Email:	<u>huntlaw@3rivers.net</u>		
Contractor (Signee) Name:	<u>Larry Bonderud</u>		
Contractor's Email:	<u>larry@shelbymt.com</u>		
Contractor's Address:	<u>112 1st Street South</u>		
	<u>Shelby MT 59474</u>	Vendor Number:	_____
Contractor's Address 2:	_____		<u>23497</u>
Attest Name:	<u>Jade Goroski</u>	Begin Date:	_____
Attest Email:	<u>jade@shelbymt.com</u>		<u>10/27/2016</u>
Duns Number:	_____	End Date:	_____
(Federal Funds Required)			<u>12/31/2018</u>
Amount:	<u>\$400,000</u>		
Organization Number:	<u>606520</u>		
RFP Number (if applicable):	_____		
Program Number:	<u>60</u>		

Liaison:	<u>Debra Demarais</u>	Program Manager:	<u>Debra Demarais</u>
Liaison Email:	<u>ddemarais@mt.gov</u>	Bureau Chief:	<u>A C Rothenbuecher</u>
Liaison Phone:	_____	Additional Email:	_____

Signatures:		Carbon Copies:	
Division Administrator	<u>Jennifer Olson</u> <u>6/26/2017</u>	Liaison:	<input checked="" type="checkbox"/>
Fiscal Review	<u>Leri Gagneau</u> <u>6/26/2017</u>	Director (> \$200K):	<input checked="" type="checkbox"/>
Legal Counsel	<u>Amy Barnes</u> <u>6/26/2017</u>	Deputy Director (<\$25K):	<input type="checkbox"/>
Director	<u>Pam Harby-Cote</u> <u>6/27/2017</u>	Perceptive Content	<input checked="" type="checkbox"/>
OBPP	<u>Amy Sassano</u> <u>6/27/2017</u>	Secretary of State:	<input type="checkbox"/>
	_____	BIA:	<input type="checkbox"/>
	_____	Clerk of Court:	<input type="checkbox"/>

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Certificate Of Completion

Envelope Id: 0B9A8398F4AD4B059C43C14F186F7684	Status: Completed
Subject: Montana Department of Commerce Contract #MT-CDBG-ED16-01 for Signature	
Source Envelope:	
Document Pages: 21	Signatures: 9
Supplemental Document Pages: 0	Initials: 0
Certificate Pages: 6	
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Contracts Admin
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	301 S Park Ave
	Helena, MT 59601
	doccontracts@mt.gov
	IP Address: 161.7.59.23

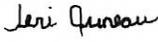
Record Tracking

Status: Original	Holder: Contracts Admin	Location: DocuSign
6/26/2017 1:06:58 PM	doccontracts@mt.gov	

Signer Events

Signer Events	Signature	Timestamp
Jennifer Olson jeolson@mt.gov Security Level: Email, Account Authentication (None)		Sent: 6/26/2017 1:12:39 PM Viewed: 6/26/2017 1:36:56 PM Signed: 6/26/2017 1:38:12 PM
	Using IP Address: 161.7.59.23	

Electronic Record and Signature Disclosure:
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Teri Juneau tjuneau@mt.gov Fiscal Manager MT Dept of Commerce Security Level: Email, Account Authentication (None)		Sent: 6/26/2017 1:38:14 PM Viewed: 6/26/2017 1:43:15 PM Signed: 6/26/2017 1:43:18 PM
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Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Amy Barnes AmyBarnes@mt.gov Security Level: Email, Account Authentication (None)		Sent: 6/26/2017 1:43:20 PM Viewed: 6/26/2017 4:38:18 PM Signed: 6/26/2017 4:39:28 PM
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Pam Haxby-Cote pam.haxbycote@mt.gov Director Security Level: Email, Account Authentication (None)		Sent: 6/26/2017 4:39:30 PM Resent: 6/27/2017 9:22:43 AM Viewed: 6/27/2017 9:25:17 AM Signed: 6/27/2017 9:25:57 AM
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<p>Amy Sassano asassano@mt.gov Security Level: Email, Account Authentication (None)</p>	<p><i>Amy Sassano</i></p> <p>Using IP Address: 161.7.59.25</p>	<p>Sent: 6/27/2017 9:25:59 AM Viewed: 6/27/2017 9:50:35 AM Signed: 6/27/2017 9:50:47 AM</p>
<p>Electronic Record and Signature Disclosure: Accepted: 6/27/2017 9:50:35 AM ID: 333435ae-bee1-40af-bc57-3993bd9f9407</p>		
<p>Bill Hunt huntlaw@3rivers.net Security Level: Email, Account Authentication (None)</p>	<p><i>Bill Hunt</i></p> <p>Using IP Address: 66.113.53.102</p>	<p>Sent: 6/27/2017 9:50:50 AM Viewed: 6/27/2017 9:54:25 AM Signed: 6/27/2017 10:40:31 AM</p>
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<p>Larry Bonderud larry@shelbymt.com Security Level: Email, Account Authentication (None)</p>	<p><i>Larry Bonderud</i></p> <p>Using IP Address: 174.208.8.251 Signed using mobile</p>	<p>Sent: 6/27/2017 10:40:33 AM Viewed: 6/27/2017 11:25:56 AM Signed: 6/27/2017 11:28:05 AM</p>
<p>Electronic Record and Signature Disclosure: Accepted: 12/3/2015 1:31:09 PM ID: 6dbea6a9-5f61-4380-af53-8cf1d83bf771</p>		
<p>Jade Goroski jade@shelbymt.com Security Level: Email, Account Authentication (None)</p>	<p><i>Jade Goroski</i></p> <p>Using IP Address: 216.220.16.22</p>	<p>Sent: 6/27/2017 11:28:07 AM Viewed: 6/27/2017 11:42:16 AM Signed: 6/27/2017 11:43:29 AM</p>
<p>Electronic Record and Signature Disclosure: Accepted: 6/27/2017 11:42:16 AM ID: 3dee6d73-8e40-4087-b5f8-bcadbcbc648b</p>		
<p>Pam Haxby-Cote pam.haxbycote@mt.gov Director Security Level: Email, Account Authentication (None)</p>	<p><i>Pam Haxby-Cote</i></p> <p>Using IP Address: 174.209.20.30 Signed using mobile</p>	<p>Sent: 6/27/2017 11:43:32 AM Viewed: 6/27/2017 1:09:20 PM Signed: 6/27/2017 1:09:54 PM</p>
<p>Electronic Record and Signature Disclosure: Accepted: 6/27/2017 1:09:20 PM ID: bddbedaa-23f1-428a-b313-b2f3b9830c2e</p>		
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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
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Debra Demarais ddemarais@mt.gov Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/26/2017 1:12:39 PM Viewed: 6/26/2017 1:17:00 PM
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Electronic Record and Signature Disclosure:
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Cyndi Davis CDavis3@mt.gov Payroll and Benefits Accountant Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/27/2017 1:09:56 PM
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Electronic Record and Signature Disclosure:
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	6/27/2017 1:09:56 PM
Signing Complete	Security Checked	6/27/2017 1:09:56 PM
Completed	Security Checked	6/27/2017 1:09:56 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

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STATEMENT OF WORK

City of Shelby, Montana

Railroad Safety Infrastructure Improvements

I. BACKGROUND

Shelby, Montana is the county seat of Toole County in north central Montana. Shelby is located on the I-15 corridor and is the center for commerce and health care in Toole County. Shelby is also at the crossroads of the Burlington Northern Santa Fe (BNSF) Railway east-west main line and north-south route.

Land use and transportation are fundamentally connected. Land use patterns greatly impact transportation networks, and these networks greatly affect movement issues. Shelby is divided by the BNSF east-west main line. The Shelby School District #14 school campus, Marias Medical facilities, sports fields and recreation area are all located on the north side of the main line. The majority of residential housing is found south of the main line. Access to and from both sides is available over an aging and non-ADA compliant viaduct, and crossing the main line at the Galena Street crossing. This project will considerably improve pedestrian safety within the City.

II. OBJECTIVE

This project will install 1,900 feet of 7-foot high green chain link fencing including three 4-foot wide opening gates along the south side of the railroad tracks in the vicinity of the Amtrak station as well as two 20-foot wide double opening drive gates. The fencing will deter pedestrian traffic from haphazardly crossing the BNSF tracks, and signage will direct pedestrian traffic to the three pedestrian gates.

The project will also widen the existing Galena Street Crossing on the west side to better accommodate pedestrian traffic. The project will include extension of an existing 12-inch diameter culvert by 10 feet, grading over the culvert to match the existing roadway grade, installation of one additional four-foot-wide concrete crossing panel to each of the track crossings, installation of curb ramps, and installation of driveway aprons. All improvements will be designed in accordance with state and federal ADA-requirements. In addition to the culvert extension at the Galena Street crossing, multiple additional storm water improvements will be completed within the project area to prevent flooding in the area that sometimes occurs.

As part of the project, improvements will be made to the Highway 2 at-grade crossing to improve vehicle and pedestrian safety and implement a railroad quiet zone. Currently there are lights, but no crossing arms at the Highway 2 crossing. This project will include installation of 2 quadrant gates and center

medians at the Highway 2 crossing. This improvement will block the crossing when train traffic is present, and deter vehicle traffic within 100 feet of the crossing from driving around the gates. Wayside Horns will be installed at the Galena Street at-grade crossing to improve safety and allow for trains to stop using train horns within the community.

This project will extend the existing 10-foot wide concrete AMTRAK loadout surface by 100 feet to more safely accommodate pedestrian traffic during loading and unloading of trains.

This project will also include installation of approximately 1,900 feet of 54" RCP storm drain trunk line and approximately 300 feet of storm drain laterals and corresponding inlets in Front Street adjacent to the BNSF right-of-way. The trunk main is intended to move storm water from the low-lying BNSF right-of-way near the Oilfield Avenue overpass to the east end of town, and includes a jack and bore beneath the BNSF south line. In years past the low area has flooded Highway 2 and the rail lines. The storm water project is intended to drain the BNSF right-or-way facilitating future rail and rail safety improvements.

Repair and extension of the existing badly damaged culvert at the Galena Street rail crossing that is also included. The Galena Street improvements will accommodate the Galena Street handicapped accessible pedestrian crossing. The Galena Street crossing is one of the lowest areas of the City and is currently susceptible to flooding; therefore, appropriate storm drainage in this area is critical.

This project as-a-whole would make basic improvements to increase public safety and reduce the likelihood of pedestrian/train collisions.

III. PROJECT LOCATION

The location of the project is within the corporate city limits of City of Shelby as identified in the attached site map. The latitude 48.5055^o and longitude is - 111.8546^o. The general area of the project is Section 27, Township 32N, and Range 2W.

IV. DESCRIPTION OF WORK

Following is a summary of the project, broken down by task:

Task 1: Detailed Project Work Plan, Budget, and Schedule

The Grantee acknowledges that work on subsequent tasks will not commence until the Detailed Project Work Plan, Budget, and Schedule has been completed, submitted to FRA, and the Grantee has received approval in writing from FRA. The FRA will not reimburse the Grantee for costs incurred in contravention of this requirement.

Task 1 Deliverables:

- Detailed Project Work Plan, Budget, and Schedule (This Document)
- Project Agreements:
 - There will be an agreement between the City of Shelby and the Engineer. The agreement will be finalized upon determination of the environmental requirements by the FRA.
 - Agreements and permits will be required with BNSF regarding work within the railroad right-of-way, at-grade crossings, and utility crossings. These permits will be identified during the design process and provided to FRA upon completion.
 - There will be agreements between the City of Shelby and the selected contractor for construction of the project. These agreements will be provided to the FRA upon execution.

Task 2: Environmental Review and Reporting

Upon determination of the NEPA environmental requirements by FRA, the required document will be prepared.

Task 2 Deliverables:

- The required NEPA Document

Task 3: Survey

A topographic survey of the project area will be completed prior to design. Prior to completion of the survey, a utility locate will be requested to identify known underground utilities in the area. The survey will collect horizontal and vertical data on existing site features such as rail, roads, culverts, utilities, etc. From the survey, a base map and 3-D digital terrain map will be prepared for use as the basis of design.

A boundary survey including field survey and research will be completed to identify property boundaries, easements, and right-of-way. The boundaries will be included in the base map described above.

Task 3 Deliverables:

- Survey Base Map

Task 4: Engineering Design

Design of the project components will be completed by the Engineering team, utilizing the base map described in Task 3. The design will be prepared in accordance with requirements of the City of Shelby, BNSF Railway, AMTRAK, and the Montana Department of Transportation. Plans, specifications, and construction bidding documents will be prepared.

Task 4 Deliverables:

- Bidding Documents Including Plans and Specifications

Task 5: Bidding and Negotiating

The City’s engineering team will complete the bid package; publish the information; and conduct the bidding process. The engineering team will review bidders required documentation and make recommendations to the City of Shelby. The City will award the project, complete the notice of award and issue the notice to proceed.

Task 5 Deliverables:

- Construction Notice of Award

Task 6: Construction

Upon award of the project, the necessary agreements, bonding, and insurance documents will be prepared by the City of Shelby, Contractor, and Engineer. When these documents are complete, a set of “Conformed Documents” will be prepared including the project plans, specifications, agreements, bonding, insurance, Notice of Award, etc. The “Conformed Documents” will be the basis for construction of the project. A Notice to Proceed will be issued to the Contractor by the Owner, and construction will begin. During construction, the Engineer will provide construction administration and observation services to review and document that the project is constructed in accordance with the “Conformed Documents”.

Task 6 Deliverables:

- Construction Certificates of Completion

Task 7: Project Completion

The City of Shelby Engineering team will complete final inspection of the construction project and begin close out. The City will complete all close-out reporting; draw requests and submit final documentation. A “Final Performance Report” will be prepared and submitted to the FRA within 90 days of the end of the grant’s period of performance and will describe the cumulative activities of the project, including a complete description of the Grantee’s achievements with respect to the project objectives and milestones.

Task 7 Deliverables:

- Final Performance Report

V. PROJECT SCHEDULE AND DELIVERABLES

The period of performance for all work will be from [June/2017] to [March/2019]. The deliverables associated with this Agreement are listed below. The Grantee must complete these deliverables to FRA's satisfaction in order to be authorized for funding reimbursement and for the Project to be considered complete.

<u>Task #</u>	<u>Deliverable Name</u>	<u>Due Date</u>
1	Detailed Work Plan, Budget, and Schedule <ul style="list-style-type: none"> • Detailed Work Plan, Budget, and Schedule • Owner/Engineer Agreement • BNSF Permits and Agreements • Owner/Contractor Agreement 	6/16/2017 7/28/2017 1/30/2018 3/30/2018
2	Environmental Review and Reporting <ul style="list-style-type: none"> • FRA Required NEPA Document 	9/31/2017
3	Survey <ul style="list-style-type: none"> • Survey Base Map 	8/31/2017
4	Engineering Design <ul style="list-style-type: none"> • Bidding Documents Including Plans and Specifications 	2/16/2018
5	Bidding and Negotiating <ul style="list-style-type: none"> • Construction Notice of Award 	3/15/2018
6	Construction <ul style="list-style-type: none"> • Certificates of Completion 	12/31/2018
7	Project Completion <ul style="list-style-type: none"> • Final Performance Report 	3/31/2019

VI. PROJECT ESTIMATE/BUDGET

The total estimated cost of the Project is \$2,154,631 for which the FRA grant will contribute up to 44% of the total cost, not to exceed \$953,954. Any additional expense required beyond that provided in this grant to complete the Project shall be borne by the Grantee.

Project Estimate by Task

Task #	Task Name	Federal Share	Matching Share	Total Cost
1	Detailed Project Work Plan, Budget and Schedule	\$0	\$0	\$0
2	Environmental Review and Reporting	\$15,400	\$19,600	\$35,000
3	Survey	\$17,600	\$22,400	\$40,000
4	Engineering Design	\$117,476	\$149,515	\$266,992
5	Bidding and Negotiating	\$5,280	\$6,720	\$12,000
6	Construction	\$795,998	\$999,642	\$1,795,639
7	Project Completion	\$2,200	\$2,800	\$5,000
Total Project Cost		\$953,954	\$1,200,677	\$2,154,631

** FRA will consider salvaged rail and materials*

Project Estimate Contributions

Funding Source	Project Contribution Amount	Percentage of Total Project Cost
FRA Grant	\$953,954	44%
Grantee	\$1,200,677	56%
Total Project Cost	\$2,154,631	100%

VII. PROJECT COORDINATION

The City of Shelby Project Team will perform all tasks required for the project through a coordinated process, which will involve affected railroad owners, operators, and funding partners including:

- BNSF
- Amtrak
- Montana Department of Transportation
- FRA

VIII. PROJECT MANAGEMENT

The Grantee is responsible for facilitating the coordination of all activities necessary for implementation of the Project. Upon award of the Project, the Grantee will monitor and evaluate the Project's progress through regular meetings scheduled throughout the period of performance.

1. Administrative Structure:

The City of Shelby is an incorporated City with a Mayor-Council form of government. The following positions will have lead responsibility for administering the City's awarded programs and projects:

- a. Mayor Larry Bonderud, as the City's chief elected official, will have responsibility for all official contacts and will serve as the Project Manager and Environmental Certifying Officer. The Mayor and City Council will have ultimate authority and responsibility of the management of project activities and expenditures. The approval of all contracts involving the City and draw down requests will be in accordance with City Council policy and procedures. Bonderud will also provide project status reports at Council meetings and any other public meetings deemed necessary.
- b. Jade Goroski, Chief Finance Officer will be responsible for management and record keeping of funds involved in the project. Financial record keeping will be done in conformance with the recommendations of the Project Administration Manual. The original financial documents; i.e. claims with supporting material, will be retained in the city offices.
- c. Loren Skartved, Public Works Superintendent will work with engineers in oversight of the construction project.
- d. Lorette Carter, Community Development Director will assist the Project Manager and Chief Finance Officer in the record keeping, draw submissions, quarterly reporting and final close out. She will work with engineers to ensure compliance with applicable federal and state requirements and labor standards. She will also coordinate with other funding agencies for project related activities, financial reporting, submissions and project close-outs.
- e. William Hunt, City Attorney will review and advise the Mayor and Council regarding proposed contractual agreements associated with projects and provide any other legal guidance as requested.

- f. The Project Engineer will be responsible for construction-related activities including preparation of preliminary engineering, final design plans and specifications, as well as construction inspection. Contractor compliance, scheduling, and payment requests will be subject to the Project Engineer's review and approval before submission to the City.

2. Procurement Procedures:

The City of Shelby has followed State and Federal professional service procurement requirements in procuring professional services. The competitive solicitation was conducted in September of 2015 and awarded to KLJ Inc. for a 5-year period. KLJ will provide design and oversight services to complete the scope of work identified. The City of Shelby follows the Montana Code Annotated 7-5-2301 in the procurement of contractors for the specified scope of work.

3. Coordination Plan:

Project Manager, City Superintendent, Community Development Director and Project Engineer will coordinate all project activities with other local, state and federal agencies needed to complete the project. All permitting, easement procedures and coordination with agencies will be conducted in accordance with State and Federal requirements. This project is not part of another on-going or planned action.

4. Public Involvement:

The Project Manager and Community Development Director will keep the public informed of the planned work and implementation throughout the project. Mayor Bonderud will report to the community weekly during his radio address each Monday morning. Information will also be provided at bi-monthly City Council meetings which are published in the County's weekly newspaper. Mayor Bonderud will also accept visits, calls and requests for information related to the project.

5. Management:

As identified in (1f), the City of Shelby will coordinate with the Project Engineer for construction-related activities including final design, bid spec preparation; solicitation; bid award; compliance; pre-construction meetings; weekly construction meetings, construction; inspection; and final close-out of the project. They will review and oversee contractor compliance, scheduling, and payment requests for presentation to the City for final approval and pay requests.

Mayor Bonderud and Superintendent Skartved will be part of the weekly construction meetings to remain current on the status of the project, contractor activities and adherence to the scope of work and time schedule.

The project coordination team together or assigned individually will:

- Participate in a project kickoff meeting with FRA
- Hold regularly scheduled meetings with FRA
- Complete necessary steps to hire a qualified contractor to perform required Project work
- Inspect and approve work as it is completed
- Review and approve invoices as appropriate for completed work
- Perform Project close-out audit to ensure contractual compliance and issue close-out report
- Submit to FRA all required Project deliverables and documentation on-time and according to schedule, including periodic receipts and invoices
- Comply with all FRA Project reporting requirements, including, but not limited to:
 - a. Status of project by task breakdown and percent complete
 - b. Changes and reason for change in project's scope, schedule and/or budget
 - c. Description of unanticipated problems and any resolution since the immediately preceding progress report
 - d. Summary of work scheduled for the next progress period
 - e. Updated Project schedule.