ORIGINAL

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
INTERLOCAL AGREEMENT FOR SOLID WASTE IMPLEMENTATION GRANT PROJECT

This Interlocal Agreement is entered into by and between the parties named below. Neither the Texas Commission on Environmental Quality nor the State of Texas is a party to this Agreement.

CONTRACTING PARTIES:

The Funding Agency: **North Central Texas Council of Governments**
Herein referred to as **"NCTCOG"**

Funds Recipient: **Collin County**
Herein referred to as **"FUNDS RECIPIENT"**

II. SERVICES TO BE PERFORMED:

For the ***Solvent Recycler*** project, the FUNDS RECIPIENT shall complete all work as specified or indicated in "Attachment A - Work Program and Schedule of Deliverables of FUNDS RECIPIENT".

III. FUNDING AMOUNT:

The funding amount under this Interlocal Agreement is a minimum of: **$ 20,000 (twenty thousand dollars)**. The budget details are in Attachment C.

IV. TERM OF CONTRACT:

This Interlocal Agreement is effective **September 1, 2010** and shall terminate **June 30, 2011**. This Interlocal Agreement shall immediately terminate at the end of any state fiscal year for which the Texas Legislature fails to appropriate funds necessary to perform this agreement.

This Interlocal Agreement must be signed and executed **forty-five (45) days** from the effective date stated above.

In the event funding is not available, the parties further agree that NCTCOG has no further obligation to pay and "FUNDS RECIPIENT has no further duty to perform under terms of this agreement.

V. ADDITIONAL CONTRACT PROVISIONS:

See Attachment C - Schedule for Reimbursement and Reporting, Attachment D - Special Provisions, and Attachment E - General Provisions.

VI. ENTIRE CONTRACT:

This Interlocal Agreement, including all Attachments, represents the entire contract between the contracting parties. Any changes or modifications to this Interlocal Agreement must be in writing. Funds for this subcontract are currently available from the Texas Solid Waste Disposal and Transportation Revenue Fee, as proscribed in Texas Health and Safety Code Chapter 361.014. Due to demands upon the source for funds necessary to protect the health and safety of the public, it is possible that the funds contained in the Municipal Solid Waste Disposal Account, as proscribed in Texas Health and Safety Code Chapter 361.014(d), will be depleted or reduced prior to completion of this Interlocal Agreement. The parties agree that all funding arranged under this Interlocal Agreement is subject to sufficient funds in the Municipal Solid Waste Disposal Account.

The NCTCOG has certified, and the FUNDS RECIPIENT certifies that each has the authority to perform the services contracted for by authority granted in "the Regional Planning Act of 1965," Texas Local Government Code, Chapter 391 and "The Interlocal Cooperation Act," Texas Government Code, Chapter 791.

COUNCIL OF GOVERNMENTS

North Central Texas Council of Governments

Funding Agency

Signature

Mike Eastland
Name

Executive Director
Title

9/21/10
Date

PROJECT FUNDS RECIPIENT

Collin County, Texas

Local Government

Signature

Keith Self
Name

Collin County Judge
Title

9/14/10
Date

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- PROJECT REPORT FORMS
- FINANCIAL REIMBURSEMENT FORMS
- Example of a RELEASE OF CLAIMS

Attachment A. Work Program and Schedule of Deliverables

September 2010 –
Task 1: Execute Interlocal Agreement with NCTCOG
Task 2: Public Works request to Purchasing Department for vendor selection

October 2010 –
Task 3: Purchasing Department request for quotes and selection of vendor

November 2010 –
Task 4: Purchase of re-mixer

January 2011 –
Task 5: Quarterly Grant Summary/Results Report #1 for period of September 1, 2010 through Dec. 31, 2011
Task 6: Requisite training for use and maintenance of re-mixer
Task 7: Re-mixer available for use
Task 8: Availability (locations and times for public recycling of solvents) determined
Task 9: Advertising and promotion of solvents collection with PIO
Task 10: End-of-month documentation of number of gallons collected/remixed and recycled solvents usage: beginning January

April 2011 –
Task 7: Quarterly Grant Summary/Results Report #2 for period of January 1, 2011 through March 31, 2011

June 2011 –
Task 8: *All Expenditures and Activities Completed*

August 5, 2011 –
Task 9: Final Results Report & Release of Claims for period of April 1, 2011 through June 30, 2011

Attachment B. Schedules for Requests for Reimbursement and Quarterly Status Reports

1. REQUESTS FOR REIMBURSEMENT

The FUNDS RECIPIENT must submit a "Request for Reimbursement" at least quarterly **(even if no funds were spent)**, but not more frequently than once a month, for reimbursement of actual allowable costs. Requests for Reimbursement may be submitted monthly and are not associated with the Status Report schedule. All Requests for Reimbursement shall be submitted in accordance with the requirements identified in Attachment D, Article 04 "Reimbursement Procedures" of this Interlocal Agreement.

The final Request for Reimbursement must include a Release of Claims as indicated under Attachment E. Article 09, "Release of Claims" of this Interlocal Agreement.

2. STATUS REPORTS

The following represents the reporting schedule for projects funded in fiscal year 2011:

DUE DATES for FY2011 GRANT SUMMARY/RESULTS REPORTS	REPORTING PERIOD
Quarterly Grant Summary/Results Report #1: **Due Friday, January 3, 2011**	September 1, 2010 through Dec. 31, 2011
Quarterly Grant Summary/Results Report #2: **Due Friday, April 1, 2011**	January 1, 2011 through March 31, 2011
Final Results Report & Release of Claims **Due Friday, August 5, 2011**	April 1, 2011 through June 30, 2011
Follow-Up Results Report: **Due Friday, August 3, 2012**	One (1) year after completion of the project upon NCTCOG request.

Attachment C. Budget and Detailed Cost Sheets

Note: This Budget information is taken directly from the Project Application.

BUDGET ITEM	PROJECT FUNDING AMOUNT	IN-KIND SERVICES	TOTAL PROJECT
1. Personnel/salaries	$	$	$
2. Fringe benefits	$	$	$
3. Travel	$	$	$
4. Supplies	$	$	$
5. Equipment	$20,000.00	$	$20,000.00
6. Construction	$	$	$
7. Contractual	$	$	$
8. Other	$	$15,000.00	$15,000.00
Total direct charges (sum of lines 1-8)	$20,000.00	$15,000.00	$35,000.00
9. Indirect charges	$	$	$
Total cost (sum of 1-9)	$20,000.00	$15,000.00	$35,000.00

LIST IN-KIND SERVICES HERE

The $15,000 of In-Kind Match is for both the HHW collection days and for the use of the re-mixer, the following costs are being provided by Collin County:

- Locations/land for re-mixer use: $ 6,000
- 4 to 5 persons staffing use of re-mixer: $ 3,000
- Equipment required: $ 1,000
- Advertising: $ 3,000
- Administrative costs: $ 2,000

DETAILED BUDGET SHEET - Line(s) 1, 2 and/or 9: **Personnel/Salaries/Fringe Benefits/Indirect Rate**

This budget sheet should be completed if any expenses are entered for Personnel/Salaries on Line 1 of the Project Budget Summary; otherwise omit. **$**

In the space below, list the names, and titles of individuals whose salaries are paid for in all or in part from project funds. Also indicate if funds are for a new or existing employee.

If your budget lists fringe benefits (line 2) and indirect costs (line 9), you also must provide the following information:

- What is your fringe benefit rate: _____%
- What is your indirect charge rate*: _____%

* In accordance with the UGMS, indirect charges may be authorized if the applicant has a negotiated indirect cost rate agreement signed within the past 24 months by a federal cognizant agency or by a state single audit coordinating agency. Alternatively, the applicant may be authorized to recover up to 10% of direct salary and wage costs (excluding overtime, shift premiums, and fringe benefits) as indirect costs, subject to adequate documentation. If you have an approved cost allocation plan, please enclose documentation of your approved indirect rate.

DETAILED BUDGET SHEET - Line 3: **Project-Funded Travel**

This budget sheet should be completed if any expenses are entered for travel on Line 3 of the Project Budget Summary; otherwise omit. $_____

The following is an itemized list of the types of travel expenses expected, identifying the parties and purposes involved. In general, all travel is within the North Central Texas region or within Texas. All proposed travel outside Texas **must** be specifically listed and will need specific approval from the NCTCOG and the TCEQ.

DETAILED BUDGET SHEET - Line 4: **Project-Funded Supplies**

This budget sheet should be completed if any expenses are entered for supplies on Line 4 of your Project Budget Summary; otherwise omit. $_____

This type of expenditures must generally relate to the routine purchase of office supplies (paper, pencils, staple, etc.) or other goods that are consumed in a relatively short period of time in the regular performance of general office activities. (Expenses for food and alcoholic or non-alcoholic beverages are **not** allowable.)

The following is an itemized list of the general types of supplies and their cost that are intended to be purchased with project funding:

Item	**Unit Cost**	**Total Cost**

DETAILED BUDGET SHEET - Line 5: **Project-Funded Equipment**

This budget sheet should be completed if any expenses are entered for equipment on Line 5 of the Project Budget Summary; otherwise omit. **$ 20,000.00**

Equipment includes all non-construction related, tangible property having a unit acquisition cost of **$5,000** or more, with an estimated useful life of over one-year. All equipment purchases must be pre-approved by the NCTCOG.

One NexGen Enviro Systems Resolv-r DIGIT 90, 24 gallon solvent recycler	$ 20,000

DETAILED BUDGET SHEET - Line 6: **Project-Funded Construction**

This budget sheet should be completed if any expenses are entered for construction on Line 6 of the Project Budget Summary; otherwise omit. $_____

All construction projects **must** be pre-approved by the NCTCOG. Construction costs include facility design, site preparation, and facility construction. Indicate clearly whether construction services are provided by you (project funds recipient) or through subcontracts for outside services.

Expenses budgeted under this category should be for costs related to the enhancement or building of permanent facilities. Appropriate costs that may be included are:

- the cost of materials and labor connected to the construction project;
- the cost of equipment attached to the permanent structure; and the cost of planning the project; and,
- any subcontracts, including contracts for services, performed as part of the construction.

All local government municipal laws and regulations, including UGMS, for bidding and contracting for services must be followed.

The following is an itemized list the construction expenses associated with the funded project, with as many specifications as possible:

DETAILED BUDGET SHEET - Line 7: **Project-Funded Contractual**

This budget sheet should be completed if any expenses are entered for contractual services on Line 7 of the Project Budget Summary; otherwise omit. $ _____

All contractual expenses **must** be pre-approved by NCTCOG. Expenses included under this category should be for costs for professional services or tasks provided by a firm or individual who is not employed by the project funds recipient other than those related to construction. All local government municipal laws and regulations, including UGMS, for bidding and contracting for services must be followed during the project period.

Any expenses (including legal fees, staff time, travel and communications) related in any way to drafting legislation, lobbying for legislation, or other political activities are **not** allowable under this program.

The following is an itemized list of the contractual expenses associated with the funded project, with as many specifications as possible:

DETAILED BUDGET SHEET -Item 8: **Project-Funded Other Expenses**

This budget sheet should be completed if any expenses are entered under "other" on Line 8 of the Project Budget Summary; otherwise omit.

"Other" expenses are those for items or services that do not readily fit into any of the previous budget categories.

The following is an itemized list of other expenses:

$_____	Postage/delivery
$_____	Telephone/FAX
$_____	Utilities
$_____	Printing/reproduction
$_____	Advertising/public notices
$_____	Signage
$_____	Training
$_____	0ffice space and equipment rentals
$_____	Basic office furnishings (desks, chairs, filing cabinets, etc.)
$_____	Books and reference materials
$_____	Computer Hardware (under $5,000 & not listed under equipment category)
$_____	Computer Software
$_____	Miscellaneous other expenses (Separately itemize these expenses below)

$_____	TOTAL "other" expenses, equal to the amount entered on Line 8 of the budget summary.

Attachment D. Special Provisions

Article 01: Purpose of the Interlocal Agreement

The purpose of this Interlocal Agreement is to implement the provisions of §361.014(b) of the Texas Health and Safety Code, regarding the distribution of solid waste fee revenue funds in support of local and regional solid waste projects consistent with the regional solid waste management plans adopted by the NCTCOG and Texas Commission on Environmental Quality (TCEQ). This Interlocal Agreement is to perform specific tasks identified by NCTCOG's Resource Conservation Council (RCC) among several top-ranked local project proposals during the FY2008 grant funding cycle.

Article 02: Limitations and Reporting Requirements

Pursuant to §391 of the Local Government Code, funds received under this Interlocal Agreement will be expended only subject to the limitations and reporting requirements similar to those set forth in this Article:

- Audit and Reporting Requirements that the FUNDS RECIPIENT annually report to the Governor, §391.0095 of the Local Government Code, and 1 TAC §5.83 and §5.87, Governor's Office Regulations.
- FUND RECIPIENT'S Indirect Costs must comply with §391.0115 of the Local Government Code, and 1 TAC §5.86, Governor's Office Regulations.
- Restrictions on FUNDS RECIPIENT Travel Cost, §391.0115 of the Local Government Code, and 1 TAC §5.86, Governor's Office Regulations.
- Restrictions on Use of Alcoholic Beverages, §391.0115 of the Local Government Code, and 1 TAC §5.86, Governor's Office Regulations.
- Restrictions on Lobbying and Nepotism, §391.0116 of the Local Government Code, and 1 TAC §5.89, Governor's Office Regulations.
- Salary Administration Provisions and Schedules and Position Classification Schedules, §391.0117 of the Local Government Code, and 1 TAC §5.85, Governor's Office Regulations.
- General Limitations on Expenditures, §6.01 of SB 1, General Appropriations Act, 79th Legislative Session.

Article 03. Financial Obligation

The FUNDS RECIPIENT is responsible for ensuring that expenditure amounts remain within the total budget limits. The FUNDS RECIPIENT must maintain records and documentation materials consistent with the requirements of this Attachment D "Special Provisions," the Uniform Grant and Contract Management Act, Texas Government Code, §§783.001 et. seq., and the Uniform Grant Management Standards, 1 Texas Administrative Code (TAC), §§5.141 et. seq. (collectively, "UGMS"). The FUNDS RECIPIENT must also follow up on any problems identified through its financial monitoring program.

In consideration of full and satisfactory performance hereunder, NCTCOG will be liable to the FUNDS RECIPIENT in an amount equal to the actual costs incurred by the FUNDS RECIPIENT in rendering such performance, subject to the following limitations:

NCTCOG is not liable for expenditures made in violation of Attachment E, Article 24, which outlines supplemental funding standards as defined by the TCEQ. NCTCOG is not liable for any costs incurred by FUNDS RECIPIENT in the performance of this Interlocal Agreement that have not been billed to NCTCOG within **thirty (30) calendar days** following termination of this Interlocal Agreement.

NCTCOG is not liable to the FUNDS RECIPIENT for costs incurred or performance rendered by FUNDS RECIPIENT before commencement of this agreement or after termination of this Interlocal Agreement.

Except as specifically authorized by NCTCOG in writing, NCTCOG is liable only for expenditures made in compliance with the cost principles and administrative requirements set forth in this Interlocal Agreement, stated guidelines and applicable rules and regulations.

Failure on the part of the FUNDS RECIPIENT to comply with the conditions set forth in this Interlocal Agreement shall be the basis for termination of the Interlocal Agreement and/or the revocation of any unexpended or inappropriately expended funds.

Article 04: Reimbursement Procedures

All payments for approved project expenditures shall be on a cost reimbursement basis only. The NCTCOG reserves the right to withhold or deny payments of funds awarded under this Interlocal Agreement due to incomplete, incorrect, or inconsistent reports or tasks required under this Interlocal Agreement, until the FUNDS RECIPIENT satisfactorily completes, revises, or corrects such services or reports.

Request for Reimbursement (Summary of Project Expenditures): For expenditures already incurred, the FUNDS RECIPIENT shall submit a request for reimbursement **at least quarterly**, but no more frequently than once per month, by the tenth (10^{th}) calendar day following the end of each month for which expenditures are claimed. The FUNDS RECIPIENT must use the required Summary of Project Expenditures (Form PT-F2), with appropriate itemized lists (Forms PT-F2-A through PT-F2-E) submitted with an original signature.

All requests for reimbursement shall provide sufficient documentation, including:

- copy of purchase order(s),
- copy of invoice(s),
- check number and/or electronic transfer number under which payment was made, and
- information concerning the costs incurred to enable the NCTCOG to ascertain the eligibility of a particular expenditure to enable subsequent audits.

Specific guidelines and requirements are given later in this Attachment D for each category of allowed expenditures, in the Articles labeled "Personnel," "Supplies," "Equipment," "Travel," etc.

The FUNDS RECIPIENT may account for expenses incurred and request reimbursement of outlays under a cash or accrual basis, as defined and authorized by the UGCMA. Under this Interlocal Agreement, an eligible reimbursement cost must have been incurred within the time period indicated on the Summary of Pass-Through Grant Expenditures (Form PT-F2); shall have been already paid; or incurred by the last day of the Interlocal Agreement period of performance.

Payments: Upon review and approval of each Summary of Pass-Through Grant Expenditures, NCTCOG will make payment to FUNDS RECIPIENT, as soon as practicable. The Final Request for Reimbursement must be submitted at the end of the Interlocal Agreement period of performance and must include a Release of Claims.

Article 05. Budget Category Adjustments

The FUNDS RECIPIENT may expend funds in excess of those listed for a particular budget category within the approved budget without requiring a formal amendment to this Interlocal Agreement, if:

The FUNDS RECIPIENT adheres to all other requirements of this Interlocal Agreement, concerning obtaining prior written authorization;

- The cumulative dollar amount of all excess expenditures among direct budget categories is equal to or less than 5% of the total budget amount.
- Sufficient funds are available in other budget categories to cover the excess expenditures.
- The transfer will maintain or further the scope and objective of the project as funded by this Agreement. NCTCOG will make the final determination if a transfer furthers the scope and objective of a project.
- The FUNDS RECIPIENT notifies the NCTCOG as soon as practical of the deviation from the budget categories.
- Budget category adjustments/changes for Personnel/Salaries, Equipment, Contractual, Construction and Other expenditures must receive prior written authorization from the NCTCOG. In order to receive approval for a budget category adjustment, FUNDS RECIPIENT must complete and submit a **REQUEST FOR BUDGET REVISION** form as well as a memorandum explaining the requested budget revision(s).

Article 06. Project Reporting Requirements

The FUNDS RECIPIENT shall prepare and submit to the NCTCOG, a written progress report concerning performance under this Interlocal Agreement documenting the accomplishments and units of work performed under the Scope of Services of this Agreement. The "Summary/Results Report of Implementation Project" form must be submitted using the forms provided. The "Summary/Results Report of Implementation Project" form will be due to the NCTCOG on the days indicated under the Schedule for Reimbursement and Reporting in Attachment B.

The FUNDS RECIPIENT'S Summary/Results Report of Implementation Project report shall contain adequate descriptions of all project activities performed in order to allow the NCTCOG to evaluate compliance with the provisions of this project. Performance information concerning timelines in meeting the schedule for required reports will be maintained by the NCTCOG and shared with members of the Resource Conservation Council (RCC).

In particular, any legal research and related legal activities shall be clearly detailed in the progress reports in order to assure the NCTCOG that the activities are not prohibited under Attachment E, Article 24 of this Interlocal Agreement. The FUNDS RECIPIENT shall comply with any reasonable request by the NCTCOG for additional information on activities conducted in order for the NCTCOG to adequately monitor the FUNDS RECIPIENT'S progress in completing the requirements of and adhering to the provisions of this Interlocal Agreement.

A Final Report shall be provided in conjunction with the final request for payment under this Interlocal Agreement. In this Final Report, the FUNDS RECIPIENT shall certify, in writing, the satisfactory completion of all activities and deliverables required under this Interlocal Agreement.

Reimbursement payments under this Interlocal Agreement may be withheld by the NCTCOG until such time as any past due progress reports are received. The Final Report shall consist of the same forms used for the Summary/Results Report of Implementation Project form and the supplemental

detailed forms for this project's funding category. The Final Report shall include information on the progress during the last quarter of the project as well as cumulative information from the beginning of the project through its completion.

The FUNDS RECIPIENT also agrees to provide NCTCOG one or more "Follow-up Results" Report(s) documenting the continued impact of this funded project beyond the end date of this agreement. The Follow-up Results Report(s) will be required on a schedule to be provided by NCTCOG, approximately one year after the end of the project funding cycle. The Follow-up Results Report form will be provided by NCTCOG to the FUNDS RECIPIENT later in the funding cycle.

The FUNDS RECIPIENT agrees to provide, throughout the life of the project, additional reports (as requested by the NCTCOG) to document the project's continued results at the culmination of the project.

Timeliness in completing reporting requirements will be monitored by the NCTCOG and reported to the RCC. If the FUNDS RECIPIENT'S is not able to submit a scheduled progress report on time, the FUNDS RECIPIENT must contact the NCTCOG Project Representative for a report extension due date prior to the original submittal date. If the FUNDS RECIPIENT fails to submit the Summary/Results Report of Implementation Project form to NCTCOG's Project Representative upon notice/reminder, this matter will be brought to the attention of NCTCOG's RCC for further resolution. Failure to comply with the requirements of this Article shall constitute a breach of this Interlocal Agreement.

Article 07. Performance Measures

The timeliness of meeting reporting requirements and completion of the original Work Program and Timeline will be monitored by the NCTCOG and reported to the RCC. Performance on reporting requirement information will be considered as an evaluation criteria for future Requests for Applications. As such, the FUNDS RECIPIENT is cautioned to meet all of the reporting requirements as outlined in Attachment B of this Interlocal Agreement. Prior written notification must be provided to NCTCOG in the event that the FUNDS RECIPIENT is unable to comply with the reporting requirements.

Article 08. Identification of the Funding Source

The FUNDS RECIPIENT must acknowledge the financial support of the NCTCOG and the State of Texas whenever work is funded, in whole or part, through this Interlocal Agreement. This includes using following notation on the front cover, title page, surface of recycling bins or carts, vehicle wraps, vehicles, pencils, pens, T-shirts, stickers, electronic devices, all mechanical equipment, etc.

> ***"Prepared in cooperation with the North Central Texas Council of Governments through funding from the Texas Commission on Environmental Quality."***

Tangible items where surface space is limited may utilize the TCEQ logo or the phrase "Funded by TCEQ." Consult with the NCTCOG Project Representative to obtain the TCEQ logo and for the proper display.

Article 09. Personnel

In addition to the project funding reimbursement request, all outlays that fall within the "Personnel/Salaries" category of the budget shall be itemized by the FUNDS RECIPIENT on Form PT-F2-A. For Personnel/Salaries expenditures, the FUNDS RECIPIENT is expected to maintain signed time sheets that can serve to verify the total, overall hours of staff time directly billed to this

Interlocal Agreement. Payments from funds provided under this Interlocal Agreement for accruals such as vacation, sick leave, severance pay, or other accruals are allowed only for time during which the employee was employed and performing work under this Interlocal Agreement.

The FUNDS RECIPIENT employee positions covered in this Interlocal Agreement are listed in Attachment C. The FUNDS RECIPIENT must notify and seek approval from NCTCOG for any changes in personnel whose salaries are funded under this Interlocal Agreement.

Article 10. Travel

Only the employees of the FUNDS RECIPIENT assigned to the project should receive reimbursement for travel expenses. All travel for which expenses are claimed must be in connection with the tasks and activities required under this Interlocal Agreement, and shall be in compliance with the State Travel Regulation and Restrictions on Travel Costs as outlined in §391.0115 of the Local Government Code. Except as provided for in this Interlocal Agreement as indicated under Attachment C of the program budget, the FUNDS RECIPIENT shall obtain prior written authorization from the NCTCOG for reimbursement from the travel expense budget category of any travel expenses for persons not employed by the FUNDS RECIPIENT, and for travel by any employee not included in Attachment C of the program budget.

Out-of-state travel should not normally be allowed and will require prior written approval from NCTCOG and TCEQ, prior to the travel event. In order for travel expenses to be reimbursed under the conditions of this Interlocal Agreement, the FUNDS RECIPIENT shall comply with the State Travel Regulations as required by Section 33, Article IX, H.B. 1, and any Restrictions on Travel Costs as outlined in §391.0115 of the Local Government Code.

Documentation should, at a minimum, be consistent with the State Travel Regulations and any Restrictions on Travel Cost. The purpose of the travel shall be documented and supported with any of the appropriate records, such as automobile mileage totals for the reporting period (gasoline receipts will not be accepted for privately owned vehicles), actual receipts for hotel accommodations, public transportation receipts, airline receipts, meal receipts, etc. The reimbursement request must include the itemization of travel expenses on Form PT-F2-A. The FUNDS RECIPIENT is not required to submit a daily or incidental mileage log as a part of Form PT-F2-A. However, mileage trip logs documenting amount of miles traveled per day or per trip, the FUNDS RECIPIENT must maintain destination and purpose of trip as part of the FUNDS RECIPIENT'S records. Such mileage logs must be made available upon request by the NCTCOG or the TCEQ.

Article 11. Consumable Supplies

Expenses shall be for non-construction related costs for goods and materials having a unit acquisition cost (including freight) of less than $1,000. Such expenditures shall generally relate to the routine purchase of office supplies (paper, pencils, and staplers) or other goods, which are consumed by the FUNDS RECIPIENT in a relatively short period of time, in the regular performance of the general activities funded under this Interlocal Agreement. FUNDS RECIPIENT is expected to conform to the appropriate bid process for purchases according to the FUNDS RECIPIENT'S own internal policies and procedures.

Non-routine expenditures of goods and materials, not falling under the definition of Supplies, should be charged to the "Other" Expense Category. Supporting documentation shall include whatever is necessary to show that the work was performed and the expense incurred. Supporting documentation for reimbursement must include verification that the cost has been paid by the FUNDS

RECIPIENT, a copy of the purchase order (if issued) and a copy of the invoice. A request for reimbursement for supplies must include itemized expenses on Form PT-F2-D.

Article 12. Equipment

For the purposes of this Interlocal Agreement, equipment is defined as those items with a unit acquisition cost of $5,000 or greater. All equipment expenses are subject to prior approval by NCTCOG before purchase.

Subject to the obligations and conditions set forth in this Interlocal Agreement, title to real property and equipment (together hereafter referred to in this Article as "property") acquired under this Interlocal Agreement by the FUNDS RECIPIENT will vest upon acquisition or construction.

Subject to the provisions of this Interlocal Agreement and as otherwise provided by State statutes, property acquired or replaced under this Interlocal Agreement shall be used for the duration of its normally expected useful life to support the purposes of this Interlocal Agreement whether or not the original projects or programs continue to be supported by state funds.

The FUNDS RECIPIENT shall not allow to a third party a security interest in any original or replacement property purchased or constructed with funds made available to the FUNDS RECIPIENT under this Interlocal Agreement.

The use of property acquired under this Interlocal Agreement, both during the term of this Interlocal Agreement and for the useful life of the property or until compensation is provided to the TCEQ for the applicable percentage share of the fair market value of the property, shall be in compliance with §361.014(b) of the Texas Health & Safety Code Annotated, which directs that a project or service funded under this program must promote cooperation between public and private entities and may not be otherwise readily available or create a competitive advantage over a private industry that provides recycling or solid waste services.

The FUNDS RECIPIENT may develop and use their own property management systems, which must conform to all applicable federal, state, and local laws, rules and regulations. If an adequate system for accounting for property owned by the FUNDS RECIPIENT is not in place or is not used properly, the Property Accounting System Manual issued by the State Comptroller of Public Accounts will be used as a guide for establishing such a system. The property management system used by the FUNDS RECIPIENT must meet the requirements set forth in this Section.

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of the property, who holds title, the acquisition date, and the cost of the property, percentage of state participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

A physical inventory of all equipment acquired or replaced under this Interlocal Agreement shall be conducted no less frequently than once every two years and the results of such inventories reconciled with the appropriate property records. Property control procedures utilized by the FUNDS RECIPIENT shall include adequate safeguards to prevent loss, damage, or theft of the acquired property. Any loss, damage, or theft shall be investigated. The FUNDS RECIPIENT shall develop and carry out a program of property maintenance as necessary to keep both originally acquired and any replaced property in good condition, and to utilize proper sales procedures to ensure the highest possible return, in the event such property is sold.

Certain types of equipment are classified as "controlled assets" and are subject to annual revision. In accordance with the UGMS, the FUNDS RECIPIENT should contact the Texas Comptroller of Public Accounts' property accounting staff or review the Comptroller's state Property Accounting User Manual available on the Internet, for the most current listing. Firearms shall be maintained on the FUNDS RECIPIENT'S inventory system irrespective of cost, and the following equipment with costs between $500 and $5,000 shall be maintained on the inventory system: (1) stereo systems, (2) still and video cameras, (3) facsimile machines, (4) VCRs and VCR/TV combinations; (5) cellular and portable telephones.; and, (6) computer hardware.

The FUNDS RECIPIENT may for the purpose of replacing property acquired under this Interlocal Agreement, either trade in or sell the property and use the proceeds of such trade-in or sale to offset the cost of acquiring needed replacement property.

The FUNDS RECIPIENT agrees that if a determination is made that any property acquired with funds provided under this Interlocal Agreement with a current per-unit fair market value of $5,000 or more is no longer needed for the originally authorized purpose, the TCEQ has the right to require disposition of the property by the FUNDS RECIPIENT in accordance with the provisions of this Article.

When during the useful life of property acquired with project funds under this Interlocal Agreement by the FUNDS RECIPIENT and with a current per-unit fair market value of $5,000 or more, the property is no longer needed for the originally authorized purpose the FUNDS RECIPIENT agrees to request disposition instructions from the TCEQ. When property acquired by a FUNDS RECIPIENT with project funds provided by the TCEQ under this Interlocal Agreement is no longer needed for the originally authorized purpose, the FUNDS RECIPIENT agrees that this Interlocal Agreement will require the NCTCOG to request disposition instructions from the FUNDS RECIPIENT or, if the NCTCOG is no longer administering a Regional Solid Waste Implementation Project Program, the TCEQ.

The NCTCOG shall, in turn, request authorization from the TCEQ to provide disposition instructions to the FUNDS RECIPIENT. Disposition instructions shall solicit, at a minimum, information on the source and amount of funds used in acquiring the property, the date acquired, the fair market value and how the value was determined (e.g., by appraisal, bids, etc.), and the proposed use of the proceeds. The assessment of whether to authorize the proposed disposition of the property must include a determination that the disposition plan will comply with the private industry provisions of §361.014(b) of the Texas Health Safety Code Annotated.

In cases where the FUNDS RECIPIENT fails to take appropriate disposition actions, the TCEQ may direct the NCTCOG to take excess and disposition actions. The disposition instructions may provide for one of the alternatives as set forth in this Section.

Retain title, sell, or otherwise disposed of with no obligation to compensate the TCEQ or, in the case of a FUNDS RECIPIENT. Retain title after compensating the TCEQ or, in the case of a implementation project funding recipient, the NCTCOG. If the NCTCOG is compensated by a FUNDS RECIPIENT for property acquired using funds provided under this Interlocal Agreement, the NCTCOG will in turn compensate the TCEQ or, upon authorization by the TCEQ, use those funds for other projects or activities that support this or similar future programs conducted by the TCEQ. The amount due will be computed by applying the percentage of state-funded participation in the cost of the original purchase to the fair market value of the property.

Sell the property and compensate the TCEQ or, in the case of project funding recipient, the NCTCOG. If the NCTCOG is compensated by a FUNDS RECIPIENT for property acquired using funds provided

under this Interlocal Agreement, the NCTCOG will in turn compensate the TCEQ or, upon authorization by the TCEQ, use those funds for other projects or activities that support the goals of this or similar future programs conducted by the TCEQ. The amount due will be calculated by applying the TCEQ percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the project is still active, the net proceeds from sale may be offset against the original cost of the property. When the FUNDS RECIPIENT is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

Transfer title to the TCEQ or, in the case of an implementation project funds recipient, the NCTCOG, or to a third-party designated/approved by the TCEQ. If the FUNDS RECIPIENT participated financially in the original purchase of the property, the FUNDS RECIPIENT may be authorized payment from the receiving party of an amount calculated by applying the percentage of the participation in the original purchase of the property to the current fair market value of the property.

Items of property with a current per-unit fair market value of less than $5,000 may be retained, sold or otherwise disposed of by the FUNDS RECIPIENT with no further obligation to the TCEQ. Methods used to determine per-unit fair market value must be documented, kept on file and made available to the TCEQ upon request.

A request for reimbursement for equipment must include itemized expenses on Form PT-F2-B.

Article 13. Contractual Expenses

No contractual expenditures are eligible for reimbursement under this Interlocal Agreement, unless such contracts' scope of work has been approved ahead of time, in writing, by the NCTCOG. Any amendments to the FUNDS RECIPIENT'S subcontract authorization for reimbursement under this Interlocal Agreement, whether or not such subcontract required NCTCOG's pre-approval, which will result in or require substantive changes to any of the tasks required to be performed under this Interlocal Agreement, must be approved in writing by the NCTCOG.

Examples of contractual expenses include professional (subcontracted) services. The FUNDS RECIPIENT is expected to conform to the appropriate bidding and contracting laws and regulations according to the FUNDS RECIPIENT'S own internal policies and procedures. In addition, the FUNDS RECIPIENT is required to maintain documentation that the costs incurred for contractual expenses (including subcontract expenses) were reasonable and necessary. Please note the specific guidance applicable to project restrictions, especially regarding projects that require a TCEQ permit or registration.

All outlays that fall within the "Contractual" category of the budget shall be itemized by the FUNDS RECIPIENT on Form PT-F2-B, to accompany the Request for Reimbursement (Form PT-F2). In addition, the FUNDS RECIPIENT shall attach, for each item listed, legitimate documentation that (1) further identifies the specific cost; (2) clearly identifies the vendor or subcontractor who provided the materials or services; and (3) confirms the reimbursable materials listed.

Supporting documentation shall include a purchase order marked "received/paid" and an invoice similarly marked, plus a copy of the check under which payment for the expense was made. In the case of subcontractor services, the supporting documentation shall consist of a dated invoice marked "received/paid" showing the amount billed to the FUNDS RECIPIENT, indicating any "past due" amount from previous invoices and a copy of the check.

Article 14. Construction

Expenses budgeted under this category should be for costs related to the enhancement or building of permanent facilities. Examples include: facility design, site preparation and facility construction, including slabs, paving, awning, attendant shelters with sanitation facilities, fencing and lighting, containment berms, and electronic data-recording equipment.

The FUNDS RECIPIENT shall obtain and pay for all construction permits and licenses. The FUND RECIPIENT shall also pay all charges of utility owners for connections to the work and for charges associated with capital costs related thereto, such as plant investment fees.

The FUNDS RECIPIENT is expected to conform to the appropriate bidding process according to the FUNDS RECIPIENT'S own internal policies and procedures. In addition, the FUNDS RECIPIENT is required to maintain documentation to support that the cost incurred were reasonable and necessary. Appropriate costs that may be included are:

a. The costs of planning the project.
b. The cost of materials and labor connected to the construction project.
c. The cost of equipment attached to the permanent structure; and
d. Any subcontracts (including contracts for services) performed as part of the construction.

All outlays that fall within the "Construction" category of the budget shall be itemized by the FUNDS RECIPIENT on Form PT-F2-C, to accompany the Request for Reimbursement (Form PT-F2). In addition, the FUNDS RECIPIENT shall attach, for each item listed, legitimate supporting documentation that (1) further identifies the specific cost; (2) clearly identifies the vendor or subcontractor who provided the materials or services; and (3) confirms the reimbursable materials listed. The supporting documentation shall include a copy of the purchase order marked "received/paid", and an invoice similarly marked plus a copy of the check. In the case of subcontractor services, the supporting documentation shall consist of a dated invoice showing the amount billed to the FUNDS RECIPIENT and any "past due" amount from previous invoices marked "received/paid" indicating the check number. In addition, the FUNDS RECIPIENT is subject to all the requirements related to Title to Equipment and Construction Facilities, as indicated in Attachment D, Article 11.

Article 15. Other Expenses

No expenses under the "Other" budget category, including computer hardware or software purchases not included under the "Equipment" budget category, shall be eligible for reimbursement under this Interlocal Agreement, unless approved ahead of time, in writing, by the NCTCOG.

The "Other" expenses as identified in Attachment C of the Project Budget are allowed. The restrictions set forth in the Uniform Grant and Contract Management Standards apply. All expenses budgeted under this "Other" category shall be itemized by the project funds recipient when requesting reimbursement. Some expenses that may be appropriate include:

A Postage/delivery	g. Office Space
b. Telephone/FAX	h. Basic Office Furnishings
c. Utilities	i. Legal Costs
d. Printing/Reproduction	j. Vehicle Maintenance
e. Advertising/Public notices	k. Any others
f. Signage	

The expenses under this budget category must receive NCTCOG's written approval prior to purchase. Again, for these "other" expenditures, documentation for reimbursement must show that the expenses were incurred (a copy of the check), and shall include purchase orders if issued and invoices, or receipts marked "received/paid." Any Request for Reimbursement must include an itemization of the expenses, using Form PT-F2-D.

Article 16. Indirect Expenses

Indirect costs rates under this Interlocal Agreement shall comply with all provisions of §391.0115 of the Texas Local Government Code relating to the restrictions on commission costs, and the FUNDS RECIPIENT shall advise the NCTCOG in writing in the event such compliance will necessitate a reduction or other change to the indirect cost rate(s) set forth in the budget identified under Attachment C.

The Indirect Cost Rate(s) included under Attachment C shall remain in effect subject to formal approval by either a Federal Cognizant Agency, a State Coordinating Agency based on a recent audit performed by an independent auditor, or another funding entity, that specifically examines and reports the indirect cost rate for the FUNDS RECIPIENT accounting period(s) covered under this Interlocal Agreement. The FUNDS RECIPIENT agrees to reimburse the NCTCOG any overpayments received as a result of any final audit finding.

In the event that the FUNDS RECIPIENT'S Federal Cognizant Agency, or State Coordinating Agency approves, prior to the termination date of this Agreement, determines a final audited indirect cost rate which is different from the indirect rate set forth in this Interlocal Agreement, the FUNDS RECIPIENT and the NCTCOG may negotiate a new contract budget and incorporate such into this Interlocal Agreement by way of a contract change. Nothing in this section, or the results of any indirect cost audit or final indirect cost rate approval, shall cause the NCTCOG to owe the FUNDS RECIPIENT more than the FUNDS RECIPIENT amount shown in budget set forth in Attachment C.

Article 17. In-kind Services

In reference to the performance of the FUNDS RECIPIENT under this Interlocal Agreement, In-kind Services shall be for staff or services directly involved with the work related activities as defined in the approved work plan.

In-kind Services as defined in the approved Project Budget will be tracked separately with the understanding that in the event that such services and/or contributions are not provided during the term of this Interlocal Agreement, the NCTCOG may terminate the Interlocal Agreement for non-compliance.

The FUNDS RECIPIENT shall track In-kind Services separately from project funding and shall itemize those costs on the required Form PT-F2-E, which shall be submitted with each Request for Reimbursement (Form PT-F2).

Article 18. Project Contacts

The NCTCOG hereby designates the person in Article 17of this Attachment as the individual authorized to give direction to the FUNDS RECIPIENT for the purposes of this Interlocal Agreement. The NCTCOG Project Representative shall not be deemed to have authority to bind the NCTCOG in contract unless the NCTCOG's Executive Director has delegated that person to have such authority.

The FUNDS RECIPIENT shall identify as its Project Representative, the person authorized to receive direction from the NCTCOG, to manage the work being performed, and to act on behalf of the FUNDS RECIPIENT. The FUNDS RECIPIENT'S Project Representative shall not be deemed to have authority to bind the FUNDS RECIPIENT in contract unless the FUNDS RECIPIENT, in writing, specifically specifies such authority to the NCTCOG.

Either party may change its Project Representative as the need arises. In addition, the Project Representative of either party may further delegate his or her authority if necessary, including any delegation of authority to a new Project Representative. The party making any change in the Project Representative shall provide written notice of the change to the other party.

The NCTCOG hereby designates the individual below as the person to give direction to the FUNDS RECIPIENT as Project Representative of NCTCOG:

Leo Valencia, Environmental Planner III
Environment and Development Department
P. O. Box 5888; 616 Six Flags Drive
Arlington, Texas 76005-5888
TEL (817) 608-2363 FAX (817) 695-9191
Email: lvalencia@nctcog.org

The FUNDS RECIPIENT hereby designates the individual named below as the person authorized to receive direction from the NCTCOG, to manage the work being performed, and to act on behalf of the FUNDS RECIPIENT as the Project Representative:

Tammi Koch,
Collin County
700 A. Wilmeth RD
McKinney, Texas 75069
TEL (972) 548-3700 FAX (972) 548-3754
Email: tkoch@collincountytx.gov

ALTERNATE:

The FUNDS RECIPIENT designates the following location for record access and review:

700 A. Wilmeth RD
McKinney, Texas 75069

Attachment E. General Provisions

Article 01. Eligible Project Funding Recipients

Only those local and regional political subdivisions located within the State of Texas as listed below are eligible to receive funding from the NCTCOG for an implementation project:

- Cities;
- Counties;
- Public schools through their school districts and school districts (does not include universities or post secondary educational institutions);
- Other general and special law districts created in accordance with state law, and with the authority and responsibility for water quality protection or municipal solid waste management, to include river authorities; and,
- Councils of Government.

Local and regional political subdivisions that are subject to the payment of state solid waste disposal fees and whose fee payments are in arrears, as determined by the TCEQ, are not eligible to receive implementation project funding from the NCTCOG. The TCEQ shall provide, on a quarterly basis, the NCTCOG a list of entities for which fee payments are in arrears. The NCTCOG shall allow a potential implementation project applicant that is listed as being in arrears in its fee payments the opportunity to provide documentation of payment of the fees owed to the state. If the potential applicant provides the NCTCOG with documentation of payment of the fees, such as a canceled check or receipt from the state, or waiver of the fee in question, the NCTCOG may consider that applicant to be eligible to receive implementation project funding under this Interlocal Agreement.

Article 02. Responsibilities of the FUNDS RECIPIENT

The FUNDS RECIPIENT shall be responsible for the professional quality, technical accuracy, timely completion and the coordination of all services and other work furnished by the FUNDS RECIPIENT under this Interlocal Agreement.

The FUNDS RECIPIENT shall perform such services as may be necessary to accomplish the work required under this Interlocal Agreement, in accordance with the FUNDING AGENCY and contractual requirements and any and all applicable law.

The NCTCOG may require the FUNDS RECIPIENT to correct and revise any errors, omissions or other deficiencies in any reports or services provided by the FUNDS RECIPIENT to ensure that such reports and services fulfill the purposes of this Interlocal Agreement. The FUNDS RECIPIENT shall make the required corrections or revisions without additional cost to the NCTCOG.

Neither the NCTCOG's review, approval or acceptance of, nor payment for any of the services shall be construed to operate as a waiver of any rights under this Interlocal Agreement or of any cause of action arising out of the performance of this Interlocal Agreement; and the FUNDS RECIPIENT shall be, and remain liable in accordance with applicable law for all damages to the NCTCOG, including reasonable attorney's fees and court costs caused by the FUNDS RECIPIENT'S negligent performance of any of the services furnished under this Interlocal Agreement.

The obligations of the FUNDS RECIPIENT under this Article are in addition to the FUNDS RECIPIENT'S other express or implied assurances under this Interlocal Agreement or applicable law.

Article 03. Oversight of Solid Waste Implementation Project Program

NCTCOG staff, through its designated Project Representative, is responsible for managing the solid waste implementation project program, for negotiating the work scope of services, the budget, and the term of the Interlocal Agreement. NCTCOG staff will review and authorize Requests for Reimbursement; review progress reports and will undertake site visits.

In addition, NCTCOG's Resource Conservation Council (RCC), the regional solid waste advisory committee under the Executive Board, will oversee the comprehensive implementation project program assure compliance with state requirements and achievement of regional objectives. Other oversight duties of the RCC will include arbitration of projects as necessary and review and approval of key contract amendments.

Article 04. Standards for Implementation Projects

The following standards and limitations apply to all implementation project activities funded under this Agreement. The FUNDS RECIPIENT is responsible for ensuring compliance of these standards in the following project categories.

Local Enforcement. This category consists of projects that contribute to the prevention of illegal dumping of municipal solid waste, including liquid wastes. Under this category, funding recipients may investigate illegal dumping problems; enforce laws and regulations pertaining to the illegal dumping of municipal solid waste, including liquid waste; establish a program to monitor the collection and transport of municipal liquid wastes, through administration of a manifesting system; and educate the public on illegal dumping laws and regulations. Examples of categories eligible for funding include equipment such as vehicles, communications equipment, and surveillance equipment as well as program administration expenses, such as salaries/fringe benefits, office supplies and equipment, travel, training, and vehicle maintenance. Also eligible for funding is protective gear and supplies and educational materials. Funding limitations specific to this category are set forth in this Section.

Funds may not be provided to any law enforcement agency regulated by Chapter 415, Texas Government Code, unless: (a) the law enforcement agency is in compliance with all rules developed by the Commission on Law Enforcement Standards and Education pursuant to Chapter 415, Texas Government Code; or (b) the Commission on Law Enforcement Officer Standards and Education certifies that the requesting agency is in the process of achieving compliance with such rules.

When funding is to be provided for salaries of local enforcement officers, the funds recipient must certify that at least one of the officers has attended or will attend within the term of the funding the TCEQ's Criminal Environmental Law Enforcement Training or equivalent training.

Local enforcement vehicles and related enforcement equipment purchased entirely with funds provided under this Agreement may only be used for activities to enforce laws and regulations pertaining to littering and illegal dumping, and may not be used for other code enforcement or law enforcement activities. Vehicles and equipment that are only partially funded must be dedicated for use in local enforcement activities for a percentage of time equal to the proportion of the purchase expense funded.

Entities receiving funds for a local enforcement officer, enforcement vehicles, and/or related equipment for use by an enforcement officer, must investigate major illegal dumping problems, on both public and private property, in addition to investigating general litter problems on public property.

Entities receiving funds to conduct a local enforcement program must cooperate with the TCEQ's regional investigative staff in identifying and investigating illegal dumping problems. Lack of cooperation with the TCEQ staff may constitute a reason to withhold future funding to that entity for local enforcement activities.

Funds may not be used for investigation and enforcement activities related to the illegal dumping of industrial and/or hazardous waste. Instances where industrial or hazardous waste is discovered at a site do not preclude the investigation of that site, so long as the intent and focus of the investigation and enforcement activities are on the illegal dumping of municipal solid waste.

Source Reduction and Recycling. This category includes projects that provide a direct and measurable effect on reducing the amount of municipal solid waste going into landfills, by diverting various materials from the municipal solid waste stream for reuse or recycling, or by reducing waste generation at the source. Funded activities may include: facility design and construction; equipment, such as chippers, balers, crushers, recycling and composting containers, trailers, forklifts, and trucks; program administration expenses, such as salaries/fringe benefits, office supplies and equipment, travel, and training; and, educational materials; printing and advertisement expenses. Funding limitations specific to this category are set forth in this Section.

Programs and projects funded under this category shall have as a goal and be designed to provide a measurable effect on reducing the amount of municipal solid waste being disposed of in landfills.

Any program or project funded with the intent of demonstrating the use of products made from recycled and/or reused materials shall have as its primary purpose the education and training of residents, governmental officials, private entities, and others to encourage a market for using these materials.

Projects funded under this Interlocal Agreement may not include programs dedicated to the collection and/or recycling of automotive wastes, to include scrap tires, used oil, oil filters, antifreeze, or lead-acid batteries. This restriction includes the purchase of equipment to shred or split scrap tires. However, this restriction does not apply to the ancillary collection of these materials as part of a comprehensive Household Hazardous Waste Collection facility or program.

Local Solid Waste Management Plans. This category includes projects to develop and have adopted by the TCEQ a local solid waste management plan, in accordance with Subchapter D, §363 of the Texas Health & Safety Code, as implemented by TCEQ rule, 30 TAC Chapter 330, Subchapter O, or to amend an existing local solid waste management plan that has been adopted by the TCEQ. Funding limitations applicable to this category are set forth in this Section. The local planning area must be consistent with one or a combination of local solid waste management planning sub-regions identified by the NCTCOG in the regional solid waste management plan. Funding provided under this category may not be used for final engineering work, designs, or construction plans. At least one year should be allowed for the completion and adoption of the local plan.

Citizens' Collection Stations and "Small" Registered Transfer Stations. This category includes projects to construct and equip citizens' collection stations, as these facilities are defined under 30 TAC §330.2, TCEQ Regulations. Municipal Solid Waste Transfer Stations that qualify for registration under §330.4(d)(1) - (3) or §330.4(r) of the TCEQ Regulations may also be funded. The costs associated with operating a citizens' collection station once it is completed may not be funded. The design and construction of small municipal solid waste and liquid waste transfer stations that qualify for registration under §330.4(d) or §330.4(r), TCEQ Regulations, may be funded. Other permitted or registered transfer stations may not be funded.

A municipal solid waste transfer facility may be eligible for a registration if it serves a municipality with a population of less than 50,000, or a county with a population of less than 85,000, or is used in the transfer of 125 tons or less of municipal solid waste per day. A liquid waste transfer station may qualify for a registration if it will receive less than 32,000 gallons or less per day. The costs associated with operating a transfer station once it is completed may not be funded.

Funds may be used for projects funded for these types of facilities shall include consideration of an integrated approach to solid waste management, to include providing recycling services at the site, if appropriate to the management system in place. Funds may also be used for periodic community collection events, held not more frequently than four times per year, to provide for collection of residential waste materials for which there is not a readily-available collection alternative, such as large and bulky items that are not picked up under the regular collection system.

Transfer stations that qualify for a registration solely due to their location within a permitted municipal solid waste facility, under §330.4(d)(4), may not be funded.

Municipal solid waste transfer stations that qualify for a registration only under the provisions of §330.4(q) of the Municipal Solid Waste regulations allowing for registration of facilities that recover 10% or more of the waste stream for reuse or recycling, but not also under the provisions of §330.4(d) of the Municipal Solid Waste regulations, may not be funded. However, those components of a transfer facility dedicated to the reuse or recycling activities may qualify for funding under the source reduction and recycling grant category.

Municipal Solid Waste transfer stations that are used only in the transfer of grease trap waste, grit trap waste, septage, or other similar liquid waste, and which qualify for registration under §330.4(r) of the Municipal Solid Waste regulations may be funded under this category. Specifically, §330.4(r) of the regulations allows for registration of a liquid waste transfer facility that will receive 32,000 gallons a day or less.

Only the costs necessary to construct the facility and/or purchase and install necessary equipment may be funded. Costs associated with operating a facility once it is completed may not be funded.

Transfer stations that require a registration must have already received that registration from the TCEQ before a grant may be awarded.

Household Hazardous Waste Management. This category includes projects that provide a means for the collection, recycling or reuse, and/or proper disposal of household hazardous waste, including household chemicals and other materials. Projects may include collection events, consolidation and transportation costs associated with collection activities, recycling and/or reuse of materials; proper disposal of materials; permanent collection facilities, and education and public awareness programs. Funds may also be used to support Texas Country Cleanup events, conducted in conjunction with the TCEQ. Funding limitations specific to this category are set forth in this Section.

Projects under this category must be coordinated with the TCEQ HHW program staff, and all applicable laws, regulations, guidelines, and reporting requirements must be followed.

Funds provided under this Interlocal Agreement may not be used for programs and activities related to the collection and management of commercial, industrial, and hazardous wastes.

Funds provided under this Interlocal Agreement may not be used for programs and activities solely related to the management of scrap tires, used oil, oil filters, antifreeze, lead-acid batteries, or other special wastes excluded from disposal in municipal solid waste landfills. However, collection of these materials may be included as part of a comprehensive Household Hazardous Waste collection and management program, so long as that is not the sole intent of the program.

Technical Studies. This category includes projects which include the collection of pertinent data, analysis of issues and needs, evaluation of alternative solutions, public input, and recommended actions, to assist in making solid waste management decisions at the local level. Projects under this category may also include research and investigations to determine the location and boundaries of closed municipal solid waste landfills in support of the regional solid waste landfill inventory program. Funding limitations specific to this category are set forth in this Section.

All technical studies shall be consistent with the adopted regional solid waste management plan, and prepared in accordance with the Content and Format Guidelines provided by the TCEQ.

Funding may not be used for final engineering work, designs, or construction plans.

A landfill or landfilling may be the topic of a technical study only if it is part of an overall, integrated solid waste management system. However, this restriction does not apply to research related to an inventory of closed municipal solid waste landfill sites.

Litter/Illegal Dumping Cleanups and Community Cleanup Events. This category includes ongoing and periodic activities to clean up litter and illegal dumping of municipal solid waste, to include lake and river cleanup events conducted in conjunction with the TCEQ's and Keep Texas Beautiful's Lake and River Cleanup Program. Projects included under this category may include general community cleanup events designed to involve the residents and community in periodic cleanup of litter and trash within the community as well as waste removal; disposal or recycling of the removed materials; fencing and barriers; and signage. Placement of trash collection receptacles in public areas with chronic littering problems is also included. Reuse or recycling options should be considered for managing the materials collected, to the extent feasible. Funding limitations specific to this category are set forth in this Section.

Lake and River Cleanup events must be coordinated with the TCEQ's cleanup program staff and/or the Keep Texas Beautiful organization, which is contracted by the TCEQ to administer the Lake and River Cleanup program.

Projects funded to clean up litter or illegal dumping on private property must be conducted through a local government sponsor. Funds may not be provided directly to a private landowner or other private responsible party for cleanup expenses. The local government sponsor must either contract for and oversee the cleanup work, or conduct the work with its own employees and equipment.

The costs for cleanup of hazardous waste that may be found at a municipal solid waste site must be funded from other sources, unless a waiver from this restriction is granted by the TCEQ to deal with immediate threats to human health or the environment.

The costs for cleanup of Class 1 non-hazardous industrial waste that may be found at a municipal solid waste site must be funded from other sources, unless a waiver from this restriction is granted by the TCEQ to deal with immediate threats to human health or the environment. The cleanup of Class 2 and 3 non-hazardous industrial waste that may be found at a municipal solid waste site may be funded in conjunction with the cleanup of the municipal solid waste found at a site.

All notification, assessment, and cleanup requirements pertaining to the release of wastes or other chemicals of concern, as required under federal, state, and local laws and regulations, including 30 TAC Chapter 330, TCEQ's MSW Regulations, and 30 TAC Chapter 350, TCEQ's Risk Reduction Regulations, must be complied with as part of any activities funded under this Interlocal Agreement.

All materials cleaned up using grant funds must be properly disposed of or otherwise properly managed in accordance with all applicable laws and regulations. To the extent feasible, it is recommended that materials removed from a site be reused or recycled. For projects to clean up large amounts of materials, the NCTCOG may consider withholding at least ten (10) percent of the reimbursements under this Interlocal Agreement, until documentation is provided that the cleanup work has been completed and the materials properly managed.

Periodic community collection events, to provide for collection and proper disposal of non-recyclable residential waste materials for which there is not a readily available collection alternative, are eligible. This type of project may not include regular solid waste collection activities, such as weekly waste collection. Funded collection events may be held no more frequently than four times per year, and must only be intended to provide residents an opportunity to dispose of hard-to-collect materials, such as large and bulky items that are not picked up under the regular collection system, and might otherwise be illegally dumped by residents. Funding limitations specific to this category are set forth in this Section.

Educational and Training Projects. Educational components are encouraged under the other categories in order to better ensure public participation in projects; those educational components should be funded as part of those projects and not separately under this category. This category may be used for "stand-alone" educational projects dealing with a variety of solid waste management topics. This category may include funding for information-exchange activities, subject to the other limitations on travel expenses. Funding limitations specific to this category are set forth in this Section.

Programs and projects funded under this category shall be primarily related to issues involved in the management of municipal solid waste. Education or training events that cover a broader range of environmental issues may be funded on a partial basis appropriate to the extent to which municipal solid waste issues are covered.

Article 05. Monitoring Requirements

NCTCOG shall conduct periodic analysis of FUNDS RECIPIENT'S performance under this Interlocal Agreement for the purpose of assessing the degree to which contractual objectives and performance standards, as identified in this Interlocal Agreement or as subsequently amended, are achieved by the FUNDS RECIPIENT.

NCTCOG may periodically monitor the FUNDS RECIPIENT for:

- The degree of compliance with the terms of this Interlocal Agreement, including compliance with applicable rules, regulations, and promulgations referenced herein;
- The administrative and operational effectiveness of the project; and,
- NCTCOG Project Representative must visit the FUNDS RECIPIENT facility and certify in writing that equipment is on site in order for FUNDS RECIPIENT to receive reimbursement for equipment expenditures.

Article 06. Compliance with Applicable Laws

The FUNDS RECIPIENT shall, except as otherwise provided in this Interlocal Agreement, be responsible for giving notices, obtaining any necessary licenses and permits, complying with all provisions of this Interlocal Agreement, including, but not limited to, all applicable State, Municipal and Local laws, ordinances, rules, regulations and order of any public authority, in connection with the work required by this Interlocal Agreement. The main governing standards include, but may not be limited to, the following:

- §361.014. TEX. HEALTH and SAFETY CODE ANN. (as amended by H.B. 3072, 74th Texas Legislature);
- §330.569 of the TCEQ Municipal Solid Waste Regulations (30 TAC Chapter 330); and
- The Uniform Grant and Contract Management Act, TEX. GOV'T CODE ANN., §§783.001 et. Seq., and the Uniform Grant and Contract Management Standards, 1 Texas Administrative Code (TAC), §§5.141 et. seq. (collectively, "UGCMA").

If the FUNDS RECIPIENT or NCTCOG observes that this Interlocal Agreement is at variance in any respect, the observing party shall promptly notify the other party in writing, and any necessary changes shall be adjusted by appropriate Interlocal Agreement modification.

Article 07. Uniform Grant and Contract Management Act

The provisions of the Uniform Grant and Contract Management Act ("UGCMA") apply to this Interlocal Agreement to the extent required by law.

Article 08. Accounting Systems

The FUNDS RECIPIENT shall have an accounting system that accounts for costs in accordance with Generally Accepted Accounting Standards or Principles, and complies with applicable State law, regulations, and policies relating to accounting standards or principles. The FUNDS RECIPIENT must account for costs in a manner consistent with such standards or principles.

Article 09. Release of Claims

Upon satisfactory completion of the work performed hereunder and prior to final payment under this Agreement for such work, or prior to settlement upon termination of this Agreement, and as a condition to final payment/settlement, the FUNDS RECIPIENT shall execute and deliver to the NCTCOG a release of all claims against the NCTCOG arising under or by virtue of this Interlocal Agreement.

Article 10. Access/Examination of Records

The FUNDS RECIPIENT shall maintain and make available for review, inspection and/or audit books, records, documents, and other evidence reasonably pertinent to performance on all work under this Interlocal Agreement, including but not limited to, negotiated changes or amendments thereto, in accordance with accepted professional practice, appropriate accounting procedures and practices at the FUNDS RECIPIENT's office. During the conduct of any such review, audit or inspection, the FUNDS' RECIPIENT'S books, records, and other pertinent documents may, upon prior conference with the FUNDS RECIPIENT, be copied by NCTCOG. All such information shall be handled by the parties in accordance with good business ethics. The FUNDS RECIPIENT shall provide proper facilities for such access and inspection.

The FUNDS RECIPIENT shall also maintain and make available at its designated location the financial information and data used by the FUNDS RECIPIENT or its designee (including independent financial auditors) in the preparation and support of any cost submission or cost (direct and indirect), price or profit analysis for this Interlocal Agreement or any negotiated Sub-Agreement or change order, and a copy of the cost summary shall be submitted to the NCTCOG.

The NCTCOG, or any of its duly authorized auditors or representatives, shall have access to such books, records, documents, and other evidence for the purpose of review, audit or inspection.

The records to be thus maintained and retained by FUNDS RECIPIENT shall include (without limitation):

- personnel and payroll records, including social security numbers and labor classifications, accounting for total time distribution of FUNDS RECIPIENT'S employees working full or part time on the work, as well as canceled payroll checks or signed receipts for payroll payments in cash;
- invoices for purchases, receiving and issuing documents, and all other unit inventory records for FUNDS RECIPIENT'S stocks or capital items; and
- paid invoices and canceled checks for materials purchased, subcontractor costs, and/or and any other third parties' charges.

Records under section (a) above shall be maintained and made available during the entire period of performance of this Interlocal Agreement and until three (3) years from the date of the final NCTCOG payment for the project. In addition, those records which relate to any dispute, litigation, or the settlement of claims arising out of such performance, or costs or items to which an audit exception has been taken, shall be maintained and made available until completion of such action and resolution of all issues which arise from it, or until the end of the three-year period, whichever is later.

Access to records is not limited to the required retention periods. The authorized representatives designated in Attachment D, Article 17 of this Interlocal Agreement shall have access to records at any reasonable time for as long as the records are maintained. Access to records applies to financial records pertaining to all subagreements and related changes, to the extent the records reasonably pertain to subagreement performance; if there is any indication that fraud, gross abuse or corrupt practices may be involved; or if the subagreement is terminated for default or for convenience. The NCTCOG reserves the right to require reimbursement of any over-payments determined as a result of any audit or inspection of records kept by the FUNDS RECIPIENT on work performed under this Interlocal Agreement.

Article 11. Audits

The FUNDS RECIPIENT shall provide assurances that, if funded, the FUNDS RECIPIENT will comply with the Single Audit provisions of the Uniform Grant Management Standards (UGMS), prepared by the Governor's Office under §§783.001 et.seq, Texas Government Code, and 1 TAC §§5.141 et.seq, Governor's Office Regulations. Provisions of the Single Audit Circular in Part 1V of the UGMS apply to all recipients of funding under this grant.

Article 12. Insurance and Liability

The FUNDS RECIPIENT understands and agrees that it shall be liable to repay and shall repay upon demand to NCTCOG any amounts determined by NCTCOG, its independent auditors, or any agency of state government any funds which have been paid in violation of the terms of this Interlocal Agreement.

Article 13. Hazardous Substances, Waste Disposal and Manifests

The FUNDS RECIPIENT shall comply with all applicable laws and regulations, including but not limited to, those relating to hazardous substances, waste disposal, and manifests. The FUNDS RECIPIENT shall ensure that the same requirement will be incorporated into sub-agreements and/or subcontracts awarded under the provisions of this Interlocal Agreement.

Article 14. Conflicts of Interest

No employee, officer or agent of the FUNDS RECIPIENT shall participate in selection, or in the award or administration of a contract supported by State funds, if a conflict of interest, real or apparent, would be involved:

- The employee, officer or agent.
- Any member of his immediate family.
- His or her partner.
- An organization which employs, or is about to employ any of the above.

Such a conflict arises when any of the above has a financial or other interest in the subcontractor selected. The officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontractors. To the extent permitted by State or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violation of such standards by the FUNDS RECIPIENT officers, employees, or agents, or by contractors or their agents as specified in the Uniform Grant Management Standards. The FUNDS RECIPIENT shall notify the NCTCOG immediately upon discovery of any potential or actual conflict of interest. The FUNDS RECIPIENT agrees that the NCTCOG and the TCEQ have sole discretion to determine whether a conflict of interest exists and that the NCTCOG may terminate this Interlocal Agreement at any time, on the grounds of actual or apparent conflict of interest.

The FUNDS RECIPIENT shall notify the NCTCOG in writing of any actual, apparent, or potential conflict of interest regarding any individual performing or having access to information regarding the services in question. As applicable, the notification shall include both organizational conflicts of interest and personal conflicts of interest. Any individual with a personal conflict of interest shall be disqualified from taking part in any way in the performance of any services that created the conflict of interest.

Article 15. Survival of Obligations

All representations, indemnification's, warranties and guarantees made in, required by or given in accordance with this Interlocal Agreement, as well as all continuing obligations indicated in this agreement, will survive final payment, completion and acceptance of the service and termination or completion of the Interlocal Agreement.

Article 16. Contractual Costs

The FUNDS RECIPIENT'S contractual costs must comply with allowable cost requirements. FUND RECIPIENTS who are governmental entities must engage in contractor selection on a competitive basis in accordance with their established policies. If the FUNDS RECIPIENT has no competitive procurement policy, the FUNDS RECIPIENT must generally select contractors by evaluation and

comparison of price, quality of goods or services and past performance. All sub-agreements/subcontracts awarded by the FUNDS RECIPIENT under this Interlocal Agreement shall be in accordance with the Uniform Grant Management Standards adopted by the Governor's Office of Budget and Planning.

Article 17. Changes to Interlocal Agreement

A Major Change will include one or more of the following:

(1) An increase or decrease in the amount of compensation to the FUNDS RECIPIENT;
(2) An extension or shortening of the term of the Agreement;
(3) A significant change in the scope of the Agreement or the services to be performed; or
(4) Any action that is beyond the authority of the Executive Director of the NCTCOG.

Implementation of a Major Change must be preceded by a formal written amendment to the agreement. The amendment must contain a description of the proposed change and shall be signed by persons authorized to bind each party in contract. Any amendment that exceeds the contractual authority of the Executive Director of NCTCOG also requires the consent, at Agenda, of a majority of the NCTCOG Executive Board.

Any proposed change that is not a Major Change may qualify as a Minor Change. A Minor Change shall require the written agreement of both Project Representatives but shall not require a formal amendment to the contract. A copy of the authorization must be retained in the appropriate file of both the FUNDS RECIPIENT and the NCTCOG.

If the FUNDS RECIPIENT requests a Minor Change and the Project Representative does not approve the request as a Minor Change, then the change shall be deemed a Major Change and the FUNDS RECIPIENT may only obtain authorization to proceed by a formal written amendment to this Interlocal Agreement.

Article 18. Severability

All parties agree that should any provision of this Interlocal Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Interlocal Agreement, which shall continue in full force and effect.

Article 19. Intellectual Property

For the purpose of this Article, "intellectual property" refers to:

- Any discovery or invention for which patent rights may be acquired;
- Any photographs, graphic designs, plans, drawings, specifications, computer programs, technical reports, operating manuals, or other copyrightable materials; and;
- Any other materials for which intellectual property rights may be obtained.

If the FUNDS RECIPIENT first conceives of, actually puts into practice, discovers, invents, or produces any intellectual property during the course of its work under this Agreement, it shall report that fact to the NCTCOG.

The FUNDS RECIPIENT may obtain governmental protection for rights in the intellectual property. However, the NCTCOG hereby reserves a nonexclusive, royalty-free and irrevocable license to use, publish, or reproduce the intellectual property for sale or otherwise, and to authorize others to do so. The NCTCOG also reserves a royalty-free nonexclusive, and irrevocable license to use, publish, or

reproduce for sale or otherwise, and to authorize others to use, publish, or reproduce, for sale or otherwise (to the extent consistent with the rights of third parties) any intellectual property for which the FUNDS RECIPIENT obtains rights with funds received under this Interlocal Agreement.

In performing work under this Interlocal Agreement, the FUNDS RECIPIENT shall comply with all laws, rules and regulations relating to intellectual property, and shall not infringe on any third party's intellectual property rights. It shall hold the NCTCOG harmless for, and to the extent permitted by the laws and Constitution of the State of Texas, defend and indemnify the NCTCOG against, any claims for infringement related to its work under this Agreement.

The FUNDS RECIPIENT expressly acknowledges that persons with visual impairments may not expend state funds in connection with the purchase of an automated information system unless that system meets certain statutory requirements under §2157.005 of the Government Code, relating to accessibility. Accordingly, the FUNDS RECIPIENT represents and warrants to the NCTCOG that the technology provided to the NCTCOG for purchase is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of (1) providing equivalent access for effective use by both visual and nonvisual means; (2) presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and (3) being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this paragraph, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assertive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating displays, and customizable display appearances.

Article 20. Correspondence

All project related notices, reports and other contractual communications under this Interlocal Agreement shall be sent to the NCTCOG Project Representative as specified under Attachment D, Article 17. All such communications shall be considered duly given if hand delivered; delivered by nationally recognized courier service, or mailed by certified or registered mail, return receipt requested. All such communications shall be deemed given when received, as evidenced by the signed acknowledgment of receipt by the recipient; the confirmation of delivery by the courier service; or the receipt returned by the sender.

Article 21. Data and Publicity

All data and other information developed under this Interlocal Agreement shall be furnished to the NCTCOG and shall be public data and information, with exception to the extent it is exempt from public access by the Texas Open Records/Public Information Act, Vernon's TEX. GOV'T CODE § 552. Upon termination of this Agreement, all data and information shall become the joint property of the NCTCOG and the FUNDS RECIPIENT.

Article 22. Assignability

This Interlocal Agreement is not transferable or otherwise assignable by the FUNDS RECIPIENT without the written consent of the NCTCOG. Any attempted transfer is void without the written consent of the NCTCOG.

Article 23. Sub-agreements and Subcontracts

All contractual expenditures using funds provided under this Interlocal Agreement shall meet UGCMA, and all procurement laws, applicable to the FUNDS RECIPIENT and subcontractor, including the Professional Services Procurement Act. Note that the Common Rule of OMB Circular A-102, as adopted in the UGCMA, precludes the use of the cost plus a percentage of cost method of contracting.

Any subcontractor acquired by the FUNDS RECIPIENT in connection with the services covered by this Interlocal Agreement will be limited to such individuals or firms, scope of work, and budget amounts as are specifically (1) identified herein; or as (2) approved by the NCTCOG during the performance of this Interlocal Agreement prior to execution of a contract with the subcontractor. Any substitution in such subcontractor, the scope of work, and budget amounts will be subject to the prior written approval of the NCTCOG.

The FUNDS RECIPIENT shall be responsible for the management and fiscal monitoring of all subcontractors. The FUNDS RECIPIENT shall ensure that all subcontractors comply with Article 10, Access/Examination of Records and all other provisions required by this Interlocal Agreement. The NCTCOG reserves the right to perform an independent audit of all subcontractors.

Funds provided by the NCTCOG pursuant to this Interlocal Agreement that are paid to the subcontractor shall be used by the subcontractor solely to satisfy the purposes of this Interlocal Agreement.

Article 24. Supplemental Funding Standards

In addition to the standards set forth in applicable laws and regulations, the standards outlined below apply to all uses of the funds provided under this Interlocal Agreement including the implementation projects awarded funds by the FUNDS RECIPIENT. Unless authorization is otherwise specifically provided for in or under the terms of this Interlocal Agreement, the use of funds provided under this Interlocal Agreement, to include funds provided for pass-through grants, shall be in accordance with the supplemental funding standards set forth in this Article.

Payment of Fees. Local and regional political subdivisions subject to the payment of state solid waste disposal fees and whose payments are in arrears are not eligible to receive grant funding.

Land Acquisition Costs. Funds provided under this Interlocal Agreement may not be used to acquire land or an interest in land.

Municipal Solid Waste-Related Programs Only. Funds provided under this Interlocal Agreement may not be used for programs dealing with wastes that are not considered municipal solid waste (MSW), including programs dealing with industrial or hazardous wastes.

Programs Solely Related to Collection of Certain Wastes. Funds provided under this Interlocal Agreement may not be used for programs and activities solely related to the management of automotive wastes, to include: scrap tires, used oil, oil filters, antifreeze, lead-acid batteries, or other similar wastes excluded from disposal in MSW landfills. Funds may also not be used for the processing of scrap tires, such as through the purchase of equipment to shred or split the tires. However, the collection of these materials may be included as part of a comprehensive household hazardous waste collection and management program, so long as that is not the sole intent of the program.

Activities Related to the Disposal of Municipal Solid Waste. Except as may be specifically authorized under an eligible project category, funds provided under this Interlocal Agreement may not be used for activities related to the disposal of municipal solid waste.

This restriction includes solid waste collection and transportation to a disposal facility; waste combustion (incineration or waste-to-energy); processing for reducing the volume of solid waste that is to be disposed of; any landfill-related facilities or activities. This also includes the closure and post-closure care of a landfill; or other activities and facilities associated with the ultimate disposal of municipal solid waste. This provision does not apply to activities specifically included under an authorized project category, to include landfill scales, citizens' collection stations, and small registered transfer stations.

Projects Requiring a TCEQ Permit. Funds may not be used for expenses related to projects or facilities that require a permit from the TCEQ and/or that are located within the boundaries of a permitted facility, including landfills, wastewater treatment plants, and other facilities. This provision, however, may be waived by the TCEQ, at its discretion, for otherwise eligible activities to be located at a closed permitted facility and/or for recycling activities that will take place within the boundaries of an open facility. Recycling activities that may qualify for such a waiver may include recyclables collection, composting, and land application of bio-solids for beneficial use. The applicant and/or the FUNDS RECIPIENT should request a preliminary determination from the TCEQ as to the eligibility of the project prior to consideration for funding.

Projects Requiring TCEQ Registration. Projects or facilities that require registration from the TCEQ, and which are otherwise eligible for funding, may be funded. However, the registration for the facility must be finally received before that project can be selected for funding.

Projects that Create a Competitive Advantage Over Private Industry. In accordance with §361.014(b) of the Texas Health and Safety Code, a project or service funded under this Interlocal Agreement must promote cooperation between public and private entities and may not be otherwise readily available or create a competitive advantage over a private industry that provides recycling or solid waste services. Under this definition, the term private industry includes non-profit entities.

Supplanting Existing Funds. Funds provided under this Interlocal Agreement may not be used to supplant existing funds. In particular, staff positions where the functions assigned to that position will remain the same and that were active at the time of the project application, and were funded from a source other than a previous solid waste project, are not eligible for project funding. This provision does not apply to the salaries for staff of the FUNDS RECIPIENT in its conduct of activities under this Interlocal Agreement.

Food/Entertainment Expenses. Funds provided under this Interlocal Agreement may not be used for food or entertainment expenses, including refreshments at meetings and other functions. This provision does not apply to authorized employee per diem expenses for food costs incurred while on travel status.

Use of Alcoholic Beverages. Funds provided under this Interlocal Agreement may not be used for payment of salaries to any employee who uses alcoholic beverages on active duty. None of these funds may be used for the purchase of alcoholic beverages, including travel expenses reimbursed with these funds.

Funds to Law Enforcement Agencies. Funds provided under this Interlocal Agreement may not be provided to any law enforcement agency regulated by Chapter 415 of the Texas Government Code, unless the law enforcement agency is in compliance with all rules developed by the Commission on Law Enforcement Officer Standards and Education pursuant to Chapter 415 of the Texas Government Code, or the Commission on Law Enforcement Officer Standards and Education certifies that the requesting agency is in the process of achieving compliance with such rules.

Article 25. Americans With Disabilities Act Requirements

The FUNDS RECIPIENT shall comply with all applicable requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101- 12213 (Pamph. 1995).

Article 26. Employment Practices

The FUNDS RECIPIENT agrees that in the performance of this Interlocal Agreement, it will not discriminate against any employee or applicant because of race, religion, color, sex, age, or national origin and it will comply with Executive Order 11246, entitle "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60). The FUND RECIPIENT assures that no person will, on the grounds of race, creed, color, handicap, national origin, sex, political affiliation or beliefs, be excluded from, be denied the benefit of, or be subject to discrimination under any program or activity funded in whole or part under this Interlocal Agreement.

Article 27. Statutes Relating to Nondiscrimination

The FUNDS RECIPIENT shall comply with all applicable state and federal statutes relating to nondiscrimination that include, but are not limited to, those listed in the Uniform Grant Management Standards.

Article 28. Utilization of Small, Minority, and Women's Business Enterprises

The FUNDS RECIPIENT agrees that qualified Historically Underutilized Businesses shall have the maximum practicable opportunity to participate in the performance of this Interlocal Agreement.

Article 29. Safety and Protection

Where applicable, the FUNDS RECIPIENT shall be responsible for maintaining and supervising all necessary safety precautions and programs in connection with the work/services performed under this Interlocal Agreement.

Article 30. Energy Efficiency Standards

The FUNDS RECIPIENT is encouraged to follow standards and policies on energy efficiency contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (P. L. 94-163).

Article 31. Force Majeure

A force majeure event shall be defined to include governmental decrees or restraints, acts of God (except that rain, wind, flood or other natural phenomena normally expected for the locality shall not be construed as an act of God), work stoppages due to labor disputes or strikes, fires, explosions, epidemics, riots, war, rebellion, and sabotage.

Provided this Interlocal Agreement is still in force, and subject to the conditions below, if a delay or failure of performance by either party results from the occurrence of a force majeure event, the delay shall be excused and the time fixed for completion of the work extended by a period equivalent to the time lost because of the event if, and to the extent that:

- the delay or failure was beyond the control of the party affected and not due to its fault or negligence; and
- the delay or failure was not extended because of the affected party's failure to use all diligence to overcome the obstacle or to resume performance immediately after the obstacle was overcome.

No time extension shall be granted under this Article unless the party seeking relief has notified the other in writing within a reasonable time after commencement of the event, of the anticipated length and cause of the delay, the measures taken or to be taken to minimize the delay and the timetable by which the FUNDS RECIPIENT intends to implement these measures. The party seeking relief shall also give written notice of the ending of the event within a reasonable time after the event has ended.

The NCTCOG shall be responsible for costs related to a force majeure event, only if they are incurred by the FUNDS RECIPIENT after the prior written request by the NCTCOG Project Representative, to incur such costs. Neither NCTCOG nor the FUNDS RECIPIENT shall have, and both hereby waive, any claim whatever for any damages resulting from delays caused by force majeure events.

Article 32. Termination of Interlocal Agreement

This Interlocal Agreement shall terminate upon full performance of all requirements contained herein, unless this Interlocal Agreement is amended in writing.

This agreement may be terminated in whole or in part in writing by either contracting party in the event of substantial failure by the other party to fulfill its obligation under this Interlocal Agreement through no fault of the terminating party, provided that no such termination may be effected unless the other party is given:

- Not less than ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate; and an opportunity for consultation with the terminating party prior to termination.
- This Interlocal Agreement may be terminated in whole or in part in writing by NCTCOG for its convenience, provided that the FUNDS RECIPIENT is given not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate. Circumstances in which NCTCOG may terminate for convenience include, but are not limited to, the Texas Legislature's withdrawal of appropriations for this project or the FUNDS RECIPIENT'S continued or repeated failure to perform tasks and submit reports in a complete, correct and consistent manner.
- If termination for default of this Article, or for reduction or loss of Legislative appropriations of this Article is effected by NCTCOG, an adjustment in the Interlocal Agreement amount shall be made, but: no amount shall be allowed for anticipated profit on unperformed services, tasks or other work; and
- Any payment due the FUNDS RECIPIENT at the time of termination may be adjusted to the extent of any reasonable additional costs incurred by NCTCOG by reason of THE FUNDS RECIPIENT'S default. The equitable adjustment for any termination shall provide for payment to the FUNDS RECIPIENT for services rendered and expenses incurred by the FUNDS RECIPIENT relating to contracts entered into prior to the termination, in addition to termination settlement costs reasonably incurred by the FUNDS RECIPIENT relating to contracts entered into prior to the termination.

Upon receipt of a termination notice the FUNDS RECIPIENT shall promptly discontinue all services affected (unless the notice directs otherwise); and deliver or otherwise make available to NCTCOG all data, drawings, specifications, reports, estimates, summaries, and such other information, materials, and equipment as may have been accumulated by the FUNDS RECIPIENT in performing this Interlocal Agreement, whether completed or in progress.

Upon termination of this Interlocal Agreement, the NCTCOG may take over the work and prosecute the same to completion by agreement with another party or otherwise. If, after termination for failure of the FUNDS RECIPIENT to fulfill its contractual obligations, it is determined that the FUNDS RECIPIENT had not so failed, the termination shall be deemed to have been effected for the convenience of the NCTCOG.

If any delay or failure of performance is attributed to an event as defined in Force Majeure, the FUNDS RECIPIENT may in its sole discretion terminate this Interlocal Agreement in whole or in part. If such termination is effected, an equitable adjustment shall be made in accordance with this Article.

DEFINITIONS

Wherever used in this Interlocal Agreement, the following terms have the meaning indicated which are applicable to both the singular and plural thereof. This list is not meant to be inclusive nor exclusive of all pertinent grant definitions:

Accrued expenditures: The charges incurred by the grantee during a given period requiring the provisions of funds for: (1) Goods and other tangible property received; (2) services performed by employees, contractors, subcontractors, and other payees, and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other business payments.

Accrued income: The sum of (1) earnings during a given period from services performed by the grantee and goods and other tangible property deliverable to purchasers; and (2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition cost: For equipment purchases, means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make that property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices.

Addenda: Written or graphic instruments issued prior to the execution of the Agreement which clarify, correct or change the Proposal Requirements or the Agreement.

Administrative requirements: Those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from "programmatic" requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

Cash contribution: The FUNDS RECIPIENT'S cash outlay, including the outlay of money contributed to the FUNDS RECIPIENT by other public agencies and institutions, and private legislation, federal funds received from other assistance Agreement may be considered as FUNDS RECIPIENT cash contributions.

Common rule: Part III of the Uniform Grant Management Standards, which were promulgated by the Texas Governor's Office of Budget and Planning pursuant to the Uniform Grant Conditions and Management Act, Texas Government Code Chapter 783.

Contract Documents: The Interlocal Agreement and the documents that are described in and incorporated into the Interlocal Agreement. Together, the Contract Documents form the contract between the parties.

Contract Price: The moneys payable by the NCTCOG to the FUNDS RECIPIENT for completion of the work in accordance with the Contract Documents as stated in the Interlocal Agreement (subject to the provisions included in the Interlocal Agreement).

Contract Times: The number of days or dates stated in the Interlocal Agreement to complete the work so that it is ready for final payment.

Cost sharing or matching: The value of the third party in-kind contributions and the portion of the costs of a State assisted project or program not borne by the State.

Cost-type Contract: A contract or subcontract under a grant in which the FUNDS RECIPIENT or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

Equipment: Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A FUNDS RECIPIENT may use its own definition of equipment provided that such definition would include all equipment defined above.

Expiration Date of the Interlocal Agreement: The date indicated in the Interlocal Agreement as the date that the Interlocal Agreement terminates (end date of the Interlocal Agreement).

Financial Completion: In the opinion of the Funding Agency (NCTCOG and TCEQ), the work as outlined in the Interlocal Agreement is complete.

Funding Agency: The Texas Commission on Environmental Quality through the North Central Texas Council of Governments.

Government: A Federal or State agency or a local government.

Historically Underutilized Business (HUB): As defined by Texas law and delineated in the State Purchasing and General Services Act, as amended September 1, 1995, a historically underutilized business as a corporation or a partnership in which fifty-one percent (51%) or more of the corporation's stock (or other equitable securities) or partnership's assets and interest are owned by one or more socially disadvantaged persons, who have a proportionate interest and actively participates in the corporation or partnership control, operation, and management. If the business is a sole proprietorship, the socially disadvantaged person must completely own, operate and control the business. Socially disadvantaged persons include members of certain groups including African Americans, Hispanic Americans, American Women, Asian Pacific Americans, and Native Americans.

Intellectual Property: (1) any and all inventories, discoveries, improvements, or creations for which copyright, trade secret, patent or other proprietary rights may be acquired, (2) any photographs, graphic designs, plans, drawings, specifications, computer programs, computer files, documentation, technical reports, operating manuals, or other copyrightable materials, and (3) any other work fixed in any tangible medium of expression which can be perceived, reproduced, or otherwise communicated for which copyright, trade secret, patent or other proprietary rights may be acquired.

Intellectual Property Rights: Patents, trademarks, trade secret rights, confidential information rights or any other proprietary rights to which a person may be entitled or may actually possess. Intellectual Property Rights include all rights of ownership and original authorship throughout the world.

Interlocal Agreement: The "NCTCOG Interlocal Agreement" which contains the salient terms of the Agreement between the FUNDS RECIPIENT and the NCTCOG and covers the work to be performed; also describes and includes any additional agreement documents which may be attached to the Interlocal Agreement and made a part thereof as provided therein.

Laws and Regulations: Any and all applicable laws, rules, regulations, ordinances, codes and other orders of any and all governmental bodies, agencies, authorities and courts having jurisdiction.

Liens: Charges, security interests, liens or encumbrances upon real property or personal property.

Local government: Local and regional political subdivisions located within the State of Texas. The meaning is broaden to include eligible recipients of solid waste pass-through grant funds: Cities; Counties; Public Schools and School Districts (excluding Universities or post secondary educational institutions); Other general and special law districts created in accordance with State law, and with the authority and responsibility for water quality protection or municipal solid waste management, to include river authorities.

Minor Change: A written document which provides for minor changes in the work to be performed under the Interlocal Agreement, but does not involve a changed in the contract price or the contract times.

Obligations: The amount of orders placed, contracts and sub-grants awarded, goods and services rendered, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

Outlay (expenditures): Charges made to the project or program. Outlays may be reported on a cash or accruals basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to FUNDS RECIPIENT. For reports prepared on an accrued expenditure basis, outlays are the sums of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Percentage of completion method: A system under which payments are made for work according to the percentage of the completed work, rather than to the FUNDS RECIPIENT 's cost incurred.

Prior Approval: Documentation evidencing consent prior to incurring specific costs.

Project: The total body of services rendered of which the work to be provided under the Interlocal Agreement may be the whole, or a part as indicated elsewhere in the Interlocal Agreement.

Project Representative: The individual who is authorized to execute the work program identified in the Interlocal Agreement. This individual must be an employee of the grant recipient and may or may not have contractual authority.

Real Property: Land, including land improvements, structures and appurtenances thereto, excluding moveable machinery and equipment.

Share: When referring to the TCEQ's portion of real property, equipment or supplies, means the same percentage as the TCEQ's portion of the acquiring party's total costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted, not the value of the third-party in-kind contributions.

Standards: The Uniform Grant Management Standards.

State: The State of Texas.

Subcontractor: An individual, firm, corporation or local government having a direct contract with the FUNDS RECIPIENT or with any other subcontractor for the performance of a part of the work identified in the Interlocal Agreement.

Supplies: Generally relates to the routine purchase of office supplies (paper, pencils, staples, etc.) or other goods that are consumed in a relatively short period of time in the regular performance of general office activities.

Suspension: (1) temporary withdrawal of the authority to obligate project funds pending corrective action by the FUNDS RECIPIENT, or sub-grantee or a decision to terminate the grant, or (2) an action taken by a FUNDING AGENCY official in accordance with the Interlocal Agreement, State or Federal law, or Regulations to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue.

Termination: Permanent withdrawal of the authority to obligate previously-awarded project funds before that authority would otherwise expire. It also means the voluntary relinquishment of that authority by the FUNDS RECIPIENT or sub-grantee. "Termination" does not include (1) withdrawal of funds awarded on the basis of the FUND RECIPIENT'S underestimate of the unobligated balance in a prior period; (2) withdrawal of the unobligated balance as of the expiration of a grant; (3) refusal to extend a grant or award additional funds to make a competing or noncompeting continuation, renewal, extension or supplemental award; or (4) voiding of a grant upon determination that the award was obtained fraudulently or was otherwise illegal or invalid from inception.

Unliquidated Obligations: For reports prepared on a cash basis, means the amount of obligations incurred by the FUNDS RECIPIENT that has not been paid. Reports prepared on an accrued expenditure basis represent the amount of obligations incurred by the FUNDS RECIPIENT for which an outlay has not been recorded.

Unobligated Balance: The portion of the funds authorized by the FUNDING AGENCY that has not been obligated by the FUNDS RECIPIENT, and is determined by deducting the cumulative obligation from the cumulative funds authorized.

Work: The entire completed services or the various separately identifiable parts thereof required to be furnished under this Interlocal Agreement. Work includes and is the result of performing or furnishing labor, services, materials or equipment as required by the Interlocal Agreement.

Appendices

(Each form is not required for every project. Please use only those forms that are applicable to your specific grant.)

I. SUMMARY/RESULTS REPORT OF IMPLEMENTATION PROJECT

- STATUS OF COMPLETION OF WORK TASKS
- PROJECT RESULTS REPORT

FORM 10a: LOCAL ENFORCEMENT

FORM 10b: LITTER/ILLEGAL DUMPING CLEANUP AND COMMUNITY COLLECTION EVENTS

FORM 10c: SOURCE REDUCTION/RECYCLING

FORM 10d: LOCAL SOLID WASTE MANAGEMENT PLANS

FORM 10e: CITIZENS COLLECTION STATIONS, SMALL REGISTERED TRANSFER STATIONS

FORM 10f: HOUSEHOLD HAZARDOUS WASTE

FORM 10g: TECHNICAL STUDIES

FORM 10h: EDUCATIONAL AND TRAINING PROJECTS

II. REIMBURSEMENT FORMS (Form PT-F 2 plus Supplemental Forms)

- Request for Reimbursement Form and Supplemental Reimbursement Forms

PT-F2 Summary of Pass-Through Project Expenditures
F2-A Itemization Personnel/Salaries and Travel budget categories
F2-B Itemization of Equipment and Contractual Costs
F2-C Itemization of Construction Budget category
F2-D Itemization of Supplies and the Other Expenditures
F2-E Itemization of In-kind Services

III. REQUEST FOR BUDGET REVISION FORM

IV. EXAMPLE of RELEASE OF CLAIMS

These forms are located at the following website:
http://www.nctcog.org/envir/SEELT/funding/report_forms.asp