U.S. ENVIRONMENTAL PROTECTION AGENCY

Assistance Amendment

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	09/28/2009
DE -	97199001	- 1	
TYPE OF ACTION: No Cost Amendment			MAILING DATE: 09/28/2009
PAYMENT METHOD: ASAP			ACH#: 10109

RECIPIENT TYPE:
State

Send Payment Request to:
Las Vegas Finance Center, P.O. Box 98515, Las Vegas, NV 89193-8515
Tel: (702) 798-2406; Fax: (702) 798-2423

RECIPIENT:	PAYEE:
Connecticut D.E.P. 79 Elm Street Hartford, CT 06106-5127 **EIN:** 06-6000798	Connecticut D.E.P. 79 Elm Street Hartford, CT 06106-5127

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Tracy Babbidge 79 Elm Street Hartford, CT 06106-5127 **E-Mail:** tracy.babbidge@ct.gov **Phone:** 860-424-3027	Cynthia Veit 1 Congress Street, Suite 1100, COP Boston, MA 02114-2023 **E-Mail:** Veit.Cynthia@epa.gov **Phone:** 617-918-1666	Monique Dillon Grants Management Office One Cogress Street, MGM **E-Mail:** Dillon.Monique@epa.gov **Phone:** 617-918-1976

PROJECT TITLE AND EXPLANATION OF CHANGES
Northeast Diesel Collaborative (NEDC) - Maintenance Vehicle Project
Per your application request dated July 9, 2009, this cooperative agreement amendment is being awarded to revise the budget category, by moving all funding into the "contractual" budget catory. This amendment is to also revise the Scope of Work and to extend the project and budget periods end date. All the administrative and programmatic terms and conditions remain unchanged and in full force and affect.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
03/01/2009 - 01/31/2011	03/01/2009 - 01/31/2011	$50,000.00	$50,000.00

NOTICE OF AWARD

Based on your application dated 07/09/2009, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $0. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $50,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
EPA New England 1 Congress Street, Suite 1100 Boston, MA 02114-2023	U.S. EPA, EPA New England 1 Congress Street, Suite 1100 Boston, MA 02114-2023

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Digital signature applied by EPA Award Official	Monique B. Dillon, Grants Specialist	09/28/2009

AFFIRMATION OF AWARD

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Amey Marrella	Amey W. Marrella, ~~Deputy~~ Commissioner	10/5/09

AM

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$ 50,000	$ 0	$ 50,000
EPA In-Kind Amount	$ 0	$	$ 0
Unexpended Prior Year Balance	$ 0	$	$ 0
Other Federal Funds	$ 0	$	$ 0
Recipient Contribution	$ 0	$	$ 0
State Contribution	$ 0	$	$ 0
Local Contribution	$ 0	$	$ 0
Other Contribution	$ 0	$	$ 0
Allowable Project Cost	$ 50,000	$ 0	$ 50,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.039 - National Clean Diesel Funding Assistance Program (B)	Energy Policy Act 2005 Public Law 109-58	40 CFR PART 31

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	$0
2. Fringe Benefits	$0
3. Travel	$0
4. Equipment	$0
5. Supplies	$0
6. Contractual	$50,000
7. Construction	$0
8. Other	$0
9. Total Direct Charges	$50,000
10. Indirect Costs: % Base	$0
11. Total (Share: Recipient 0.00 % Federal 100.00 %.)	$50,000
12. Total Approved Assistance Amount	$50,000
13. Program Income	$0
14. Total EPA Amount Awarded This Action	$0
15. Total EPA Amount Awarded To Date	$50,000

Administrative Conditions

All Administrative Conditions Remain the Same

Programmatic Conditions

All Programmatic Conditions Remain the Same

U.S. ENVIRONMENTAL PROTECTION AGENCY

Cooperative Agreement

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	02/03/2009
DE -	97199001	- 0	
TYPE OF ACTION: New			MAILING DATE: 02/10/2009
PAYMENT METHOD: ASAP			ACH#: 10109

RECIPIENT TYPE:
State

Send Payment Request to:
Las Vegas Finance Center, P.O. Box 98515, Las Vegas, NV 89193-8515
Tel: (702) 798-2406; Fax: (702) 798-2423

RECIPIENT:	PAYEE:
Connecticut D.E.P. 79 Elm Street Hartford, CT 06106-5127 EIN: 06-6000798	Connecticut D.E.P. 79 Elm Street Hartford, CT 06106-5127

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Tracy Babbidge 79 Elm Street Hartford, CT 06106-5127 E-Mail: tracy.babbidge@ct.gov Phone: 860-424-3027	Cynthia Veit 1 Congress Street, Suite 1100, COP Boston, MA 02114-2023 E-Mail: Veit.Cynthia@epa.gov Phone: 617-918-1666	Monique Dillon Grants Management Office One Cogress Street, MGM E-Mail: Dillon.Monique@epa.gov Phone: 617-918-1976

PROJECT TITLE AND DESCRIPTION
Northeast Diesel Collaborative (NEDC) - Maintenance Vehicle Project
Per your application request dated September 17, 2008, this cooperative agreement is being awarded to provide funds in support of The Connecticut Department of Environmental Protection (CT DEP) thirteen (13) of the 1994 model year or older, on-road, heavy-duty diesel engines to retrofit four pieces of construction equipment for their diesel oxidation catalysts (DOCs). Controlling diesel exhaust also reduces the concentration of black carbon, or soot particles, which contributes significantly to climate change.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
03/01/2009 - 08/31/2009	03/01/2009 - 08/31/2009	$50,000.00	$50,000.00

NOTICE OF AWARD

Based on your application dated 09/17/2008, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $50,000. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $50,000. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
EPA New England 1 Congress Street, Suite 1100 Boston, MA 02114-2023	U.S. EPA, EPA New England 1 Congress Street, Suite 1100 Boston, MA 02114-2023

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Digital signature applied by EPA Award Official	Linda Murphy, Dir. Office of Admin. & Resource Management	02/03/2009

AFFIRMATION OF AWARD

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Amey W. Marrella	Amey W. Marrella, Duputy Commissioner	3/9/09

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$	$ 50,000	$ 50,000
EPA In-Kind Amount	$	$	$ 0
Unexpended Prior Year Balance	$	$	$ 0
Other Federal Funds	$	$	$ 0
Recipient Contribution	$	$	$ 0
State Contribution	$	$	$ 0
Local Contribution	$	$	$ 0
Other Contribution	$	$	$ 0
Allowable Project Cost	$ 0	$ 50,000	$ 50,000

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.039 - National Clean Diesel Funding Assistance Program (B)	Energy Policy Act 2005 Public Law 109-58	40 CFR PART 31

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	09010CG016	09	E4C	011	101AH4E	4122	-	-	50,000
									50,000

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	$0
2. Fringe Benefits	$0
3. Travel	$0
4. Equipment	$44,316
5. Supplies	$0
6. Contractual	$5,134
7. Construction	$0
8. Other	$550
9. Total Direct Charges	$50,000
10. Indirect Costs: % Base	$0
11. Total (Share: Recipient 0.00 % Federal 100.00 %.)	$50,000
12. Total Approved Assistance Amount	$50,000
13. Program Income	$0
14. Total EPA Amount Awarded This Action	$50,000
15. Total EPA Amount Awarded To Date	$50,000

Administrative Conditions

1. METHOD OF PAYMENT

No payment will be made to the recipient until the executed assistance agreement is returned to the Grants Management Office.

The recipient enrolled in the Automated Standard Application for Payment (ASAP) System should request cash drawdowns based on the recipient's projected cash requirements, not to exceed those amounts necessary for immediate disbursement needs, typically 3 to 5 days.

If the recipient fails to comply with the above conditions the recipient's payment method may be changed to reimbursement.

FEDERAL CASH TRANSACTION REPORT

The recipient agrees to submit a Federal Cash Transaction Report SF272 and continuation for multiple grants SF272a annually within 15 working days following the end of each calendar year for the reporting period January 1 ending December 31 (not required for international recipients).

Completed reports should be forwarded to the Las Vegas Finance Center (LVFC), P.O. Box 98515, as Vegas, NV 89193 or faxed to 702-798-2423. For instructions on how to complete this form can be found at the following website:

http://www.epa.gov/ocfo/finservices/payinfo.htm

2. EPA'S FINANCIAL OBLIGATIONS

EPA's financial obligations to the recipient are limited by the amount of federal funding awarded to date as shown on line 15 in its EPA approved budget. If the recipient incurs costs in anticipation of receiving additional funds from EPA, it does so at its own risk.

3. PAYMENT TO CONSULTANTS

EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2009, the limit is $587.20 per day and $73.40 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j) or

30.27(b).

4. UTILIZATION OF SMALL, MINORITY AND WOMEN'S BUSINESS ENTERPRISES GENERAL COMPLIANCE, 40 CFR, Part 33

The recipient agrees to comply with the requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements, contained in 40 CFR, Part 33.

FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE (MBE/WBE) participation in procurement under the financial assistance agreements.

Current Fair Share Objective/Goal

The award amount of this assistance agreement is $250,000, or less; or the total dollar amount of all of the recipient's financial assistance agreements from EPA in the current Federal fiscal year is $250,000, or less. Therefore, the recipient of this assistance agreement is exempt from the fair share objective requirements of 40 CFR, Part 33, Subpart D, and is not required to negotiate a fair share objective/goal for the utilization of MBE/WBEs in its procurements.

SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

(a) Require DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

(b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

(c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too

large for one of these firms to handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503

The recipient agrees to complete and submit EPA Form 5700-52A, "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" beginning with the Federal fiscal year reporting period the recipient receives the award, and continuing until the project is completed. Only procurements with certified MBE/WBEs are counted toward a recipient's MBE/WBE accomplishments. The reports must be submitted semiannually for the periods ending March 31st and September 30th for:

- Recipients of financial assistance agreements that capitalize revolving loan programs (CWSRF, DWSRF, Brownfields); and
- All other recipients not identified as annual reporters (40 CFR Part 30 and 40 CFR Part 35, Subpart A and Subpart B recipients are annual reporters).

The reports are due within 30 days of the end of the semiannual reporting periods (April 30th and October 30th). Reports should be sent to:
Environmental Protection Agency
One Congress Street
Suite 1100 Code MGM
Boston, MA. 02114
Attn: Valerie Bataille

. Final MBE/WBE reports must be submitted within 90 days after the project period of the grant ends. Your grant cannot be officially closed without all MBE/WBE reports.

EPA Form 5700-52A may be obtained from the EPA Office of Small Business Program's Home Page on the Internet at www.epa.gov/osbp .

CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)

Recipients and sub recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to

5. DRUG FREE WORKPLACE CERTIFICATION

The recipient organization of this EPA assistance agreement must make an ongoing, good faith effort to maintain a drug-free workplace pursuant to the specific requirements set forth in Title 40 CFR 36.200 - 36.230. Additionally, in accordance with these regulations, the recipient organization must identify all known workplaces under its federal awards, and keep this information on file during the performance of the award.

Those recipients who are individuals must comply with the drug-free provisions set forth in Title 40 CFR 36.300.

The consequences for violating this condition are detailed under Title 40 CFR 36.510. Recipients can access the Code of Federal Regulations (CFR) Title 40 Part 36 at http://www.access.gpo.gov/nara/cfr/waisidx_06/40cfr36_06.html.

6. HOTEL-MOTEL FIRE SAFETY

Pursuant to 40 CFR 30.18, if applicable, and 15 USC 2225a, the recipient agrees to ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at http://www.usfa.dhs.gov/applications/hotel/ to see if a property is in compliance (FEMA ID is currently not required), or to find other information about the Act.

7. LOBBYING AND LITIGATION - ALL RECIPIENTS

The chief executive officer of this recipient agency shall ensure that no grant funds awarded under this assistance agreement are used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. The recipient shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities.

8. LOBBYING

The recipient agrees to comply with Title 40 CFR Part 34, *New Restrictions on Lobbying.* The recipient shall include the language of this provision in award documents for all subawards exceeding $100,000, and require that subrecipients submit certification and disclosure forms accordingly.

In accordance with the Byrd Anti-Lobbying Amendment, any recipient who makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure.

9. MANAGEMENT FEES

Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for

ongoing business expenses, unforeseen liabilities, or for other similar costs which are not allowable under this assistance agreement. Management fees or similar charges may not be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

10. SINGLE AUDIT ACT OMB A- 133

In accordance with OMB Circular A-133, which implements the single Audit Act, the recipient hereby agrees to obtain a single audit from an independent auditor if it expends $500,000 or more in total Federal funds in any fiscal year. Within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, the recipient shall submit a copy of the SF-SAC and a Single Audit Report Package. For fiscal periods 2002 to 2007 recipients are to submit hardcopy to the following address:

Federal Audit Clearinghouse
1201 East 10th Street
Jeffersonville, IN 47132

For fiscal periods 2008 and beyond the recipient MUST submit a copy of the SF-SAC and a Single Audit Report Package, using the Federal Audit Clearinghouse's Internet Data Entry System. Complete information on how to accomplish the 2008 and beyond Single Audit Submissions you will need to visit the Federal Audit Clearinghouse Web site: http://harvester.census.gov/fac/

11. RESOURCE CONSERVATION AND RECOVERY ACT (RCRA)

In accordance with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962) any State agency or agency of a political subdivision of a State which is using appropriated Federal funds shall comply with the requirements set forth. Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

12. RECYCLE

In accordance with 40 CFR 30.16, State and local institutions of higher education, hospitals, and non-profit organizations that receive direct Federal funds shall give preference in their procurement programs funded with Federal funds to the purchase of recycled products pursuant to EPA's guidelines.

13. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

Recipient shall fully comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." Recipient is responsible for ensuring that any lower tier covered transaction as described in Subpart B of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart

C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Recipient acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment.

Recipient may access the Excluded Parties List System at www.epls.gov. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters."

14. TRAFFICKING VICTIMS PROTECTION ACT OF 2000

To implement requirements of Section 106 of the Trafficking Victims Protection Act of 2000, as amended, the following provisions apply to this award:

a. We, as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity: (1) is determined to have violated an applicable prohibition in the Prohibition Statement below; or (2) has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in the Prohibition Statement below through conduct that is either: (a) associated with performance under this award; or (b) imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1532. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in the Prohibition Statement below.

b. Our right to terminate unilaterally that is described in paragraph a of this award term: (1) implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and (2) is in addition to all other remedies for noncompliance that are available to us under this award.

c. You must include the requirements of the Prohibition Statement below in any subaward you make to a private entity.

Prohibition Statement - You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not engage in severe forms of trafficking in persons during the period of time that the award is in effect; procure a commercial sex act during the period of time that the award is in effect; or use forced labor in the performance of the award or subawards under the award.

15. UNLIQUIDATED OBLIGATIONS FOR PART 31 RECIPIENTS

Pursuant to 40 CFR 31.41(b) and 31.50(b), EPA recipients shall submit a final Financial Status Report - also called the SF269 - to EPA's Las Vegas Finance Center (LVFC), within ninety (90) days after the expiration of the budget period end date. Completed SF269s must be faxed to 702-798-2423 or mailed to the following address: USEPA LVFC, P.O. Box 98515, Las Vegas, NV 89193-8515.

The LVFC will make adjustments, as necessary, to obligated funds after reviewing and accepting a final Financial Status Report. Recipients will be notified and instructed by EPA if they must complete any additional forms for the closeout of the assistance agreement.

EPA may take enforcement actions in accordance with 40 CFR 31.43 if the recipient does not comply with this term and condition.require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

Programmatic Conditions

PROGRAMMATIC TERMS AND CONDITIONS

1. PERFORMANCE REPORTS
In accordance with 40 C.F.R. §31.40, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period; 2) the reasons for slippage if established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and
information of cost overruns or high unit costs.

In accordance with 40 C.F.R. § 31.40 (d), the recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.

2. Substantial Federal Involvement
EPA will provide substantial involvement in the form of technical assistance, development of outputs, and oversight. Specifically, substantial federal involvement will take the form of monitoring the project by EPA; participation and collaboration between EPA and the recipient in program content; review of project progress, and quantification and reporting of results; recipient agrees to comply with 40 C.F.R. 31 for assistance agreements.

3. Emissions Control Technologies
Certified engine configurations or verified technologies must be used for Emissions Control Projects funded by the recipient pursuant to this assistance agreement. Technologies are verified under EPA or California's Retrofit Verification Program. See http://www.epa.gov/otaq/retrofit/retroverifiedlist.htm for an updated list of EPA's verified technologies and http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm for a list of the California Air Resource Board's verified technologies. Any question as to the preference of a retrofit technology, including engine replacement and repowers, should be directed to the EPA Project Officer.

4. Quarterly Reporting and Environmental Results
Recipient agrees to submit quarterly progress reports to the EPA Project Officer within 30 days after the end of each reporting period. The reporting period begins at the project start date.

Format and content requirements may be subject to change during the project/budget period. Quarterly reports are considered project status reports and will address the progress made regarding achieving the work plan goals. Quarterly reports should contain:

1) A complete reporting spreadsheet as provided by EPA
2) Complete responses to narrative questions as provided by EPA

Please note that estimated and actual benefits calculations will be required.

5. Final Report:
The final project report will include actual results (including emissions calculations) in addition to the successes and lessons learned for the entire project and all categories of information required for quarterly reporting in the spreadsheet and narrative questions provided by EPA. This report shall be submitted to the Project Officer within 90 days as a maximum after the expiration or termination of the assistance agreement.

6 Use of Funds Restriction:
The recipient agrees that funds under this award cannot be used for emissions reductions that are mandated under Federal, State or local law. This refers to when the mandate takes effect not when it is passed. Funds can be used for measures that are included in the State Implementation Plan (SIP).

7. Delays or Favorable Developments:
The recipient agrees that it will promptly notify EPA of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

The recipient agrees that it will also notify EPA of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

8. Procurement and Sub-grant Procedures:
The recipient must follow applicable procurement and sub-grant procedures. EPA will not be a party to these transactions. Approval of a funding proposal does not relieve recipients of their obligations to compete service contracts, conduct cost and price analyses, and use sub-grants only for financial assistance purposes, in accordance with Subpart B Section .210 of OMB Circular A-133.

9. Employee and/or Contractor Selection:
EPA will not help select employees or contractors hired by the recipient.

10. Scrappage: Recipient agrees to require scrappage of vehicles and/or engines in the case of engine and/or vehicle replacement for all projects funded by the recipient, including sub-awards and sub-grants. For engine and/or vehicle replacement or repower, the following criteria apply:

- The vehicle, engine, or equipment being replaced will be scrapped, or the replaced engine would be returned to the original engine manufacturer for remanufacturing to a cleaner standard; The replacement vehicle, engine, or equipment will perform the same function as the vehicle, engine, or equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines); and . The replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower).

In addition, this program funds the early replacement of vehicles, engines and/or equipment. Emission reductions that result from vehicle, engine, or equipment replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. The purchase of new vehicles or equipment to expand a fleet is not covered by this program. To be considered a replacement, the purchase of new vehicles, engines, and equipment must be accompanied by the scrappage or remanufacturing of old vehicles,

engines and equipment. Furthermore, for engine repowers, EPA requires that the engine being replaced must be scrapped, remanufactured by an original engine manufacturer to a cleaner emission standard or rendered permanently disabled. Drilling a hole in the engine block and manifold while retaining possession of the engine is an acceptable scrapping method. Other methods may be considered. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA.

11. Equipment purchased with funds from this grant will remain with the recipient. EPA will not seek the return of equipment purchased with this grant funding.