AGREEMENT BETWEEN
CITY OF CHIPLEY
AND
DAVID H. MELVIN, INC.

FOR CDBG GRANT ADMINISTRATION AND PROGRAM DELIVERY COST
FOR
City of Chipley Drainage Improvements Project
CDBG-MIT (Florida Commerce Agreement No. MT148)

This Contract is entered into this _____day of_____, 202_between the **CITY OF CHIPLEY, FLORIDA,** hereinafter referred to as the "OWNER" and **DAVID H. MELVIN, INC**., a Florida Corporation, located at 4428 Lafayette Street, Post Office Box 840, Marianna, Florida 32447, hereinafter referred to as the "CONSULTANT". This Contract shall become effective immediately subject to and contingent upon receipt by the OWNER of the Community Development Block Grant. Each of the governmental Granting agencies shall hereinafter be referred to as the "AGENCY".

WITNESSETH

WHEREAS, the AGENCY, in furtherance of its duties under the respective Grant PROGRAM, hereinafter referred to as the "PROGRAM", has determined that the OWNER is eligible to receive funds under the PROGRAM, and

WHEREAS, the OWNER has determined that David H. Melvin, Inc., is fully qualified to perform Administrative Services as required to implement the Grant PROGRAM. **This contract is issued under master agreement between the parties dated June 14, 2022 which was issued in response to the Owner's RFQ #2022-03 for Continuing Grant Administration Services and shall be subject to all terms and conditions of said master agreement**

NOW THEREFORE, THE OWNER AND THE CONSULTANT DO MUTUALLY AGREE AS FOLLOWS:

I. Covenant for Services

The OWNER does hereby contract with the CONSULTANT to perform the services described herein and the CONSULTANT does hereby agree to perform such services under the terms and conditions set forth in this Contract.

II. Availability of Funds

OWNER asserts funds are available for the payment. CDBG Grant Administration and Program Delivery Cost payment of funds pursuant to this Contract is subject to and conditioned upon the release of authorized appropriations from the PROGRAM. The Administrative Services will begin when a Grant Agreement is effective between the OWNER and the AGENCY for the receipt of Grant funds and the AGENCY issues a release of conditions on the Grant Agreement. The CONSULTANT shall be paid in accordance with Section IV of this Contract.

III. Scope of Services

The CONSULTANT agrees, under the terms and conditions of this contract and the applicable Federal, State and Local laws and regulations, to undertake, perform, and complete the necessary administration services required to implement and complete the OWNER's Grant Agreement with the AGENCY.

IV. Consideration and Method of Payment

A. The OWNER agrees to pay the CONSULTANT the amount of **One Hundred Forty-Six Thousand Eight Hundred and 00/100 Dollars ($146,800.00)** for CDBG Grant Administration and Program Delivery.
B. For CDBG Grant Administration and Program Delivery Cost Services, the CONSULTANT will submit invoices specifying accomplishments toward meeting the tasks as specified in Attachment A. The invoice shall be submitted to the OWNER's contract manager for review. Upon approval by the contract manager or their designated representative, the payment will be issued as soon as practicable.
C. All financial reports shall be submitted in detail sufficient for a proper pre- and post- audit thereof.

V. Public Records

See Attachment B, Section 5.

VI. Subcontracts

(A) If the CONSULTANT subcontracts any of the work required under this Contract, the CONSULTANT agrees to include in the subcontract that the subcontractor is bound by the terms and conditions of this Contract with the OWNER.

(B) The CONSULTANT agrees to include in the subcontract that the subcontractor shall hold the AGENCY, the OWNER, and the CONSULTANT harmless against all claims of whatever nature by the subcontractor arising out of the subcontractor's performance of work under this Contract.

VII. Hold Harmless

The CONSULTANT shall hold the AGENCY and the OWNER harmless against all claims of whatever nature arising out of the CONSULTANT's performance of work under this Contract.

The CONSULTANT agrees to include in the subcontract that the subcontractor shall hold the AGENCY, the OWNER, and the CONSULTANT harmless against all claims of whatever nature by the subcontractor arising out of the subcontractor's performance of work under this Contract.

The CONSULTANT agrees, to the fullest extent permitted by law, to indemnify and hold the OWNER and the AGENCY harmless from any damage, liability, or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by the CONSULTANT's negligent acts, errors, or omissions in the performance of professional services under this Agreement, and those of the CONSULTANT's subconsultants or anyone for whom the CONSULTANT is legally liable.

VIII. Modification of Contract

Modifications of the provisions of this Contract shall only be valid when they have been reduced to writing, duly signed by the parties hereto, and attached to the original of this Contract. The CONSULTANT hereby agrees to amend this Contract's Scope of Services to remain consistent with the OWNER/AGENCY Grant Agreement if said Agreement is amended. The amount of compensation to be paid to the CONSULTANT will not be amended without mutual agreement of the OWNER and the CONSULTANT, formally executed in writing, subject to availability of funds from the AGENCY.

IX. Termination (Cause or Convenience)

(A) This contract may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this contract through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate and (2) an opportunity for consultation with the terminating party prior to termination.

(B) This contract may be terminated in whole or in part in writing by the local government for its convenience, provided that the other party is afforded the same notice and consultation opportunity specified in 1A above.

(C) If termination for default is effected by the local government, an equitable adjustment in the price for this contract shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due to the CONSULTANT at the time of termination may be adjusted to cover any additional costs to the local government because of the CONSULTANT's default.

If termination for convenience is affected by the local government, the equitable adjustment shall include reasonable profit for services or other work performed for which profit has not already been included in an invoice.

For any termination, the equitable adjustment shall provide for payment to the CONSULTANT for services rendered and expenses incurred prior to receipt of the notice of intent to terminate, in addition to

termination settlement costs reasonably incurred by the CONSULTANT relating to commitments (e.g. suppliers, subconsultants) which had become firm prior to receipt of the notice of intent to terminate.

(D) Upon receipt of a termination action under paragraphs A or B above, the CONSULTANT shall (1) promptly discontinue all affected work (unless the notice directs otherwise) and (2) deliver or otherwise make available to the local government all data, drawings, reports specifications, summaries and other such information, as may have been accumulated by the CONSULTANT in performing this contract, whether completed or in process.

(E) Upon termination, the local government may take over the work and may award another party a contract to complete the work described in this contract.

(F) If, after termination for failure of the CONSULTANT to fulfill contractual obligations, it is determined that the CONSULTANT had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the local government. In such event, adjustment of the contract price shall be made as provided in paragraph C above.

X. Notice and Contact

(A) The OWNER's Contract Manager for this Contract is **Patrice Tanner, City Administrator.**

(B) The representative of the CONSULTANT responsible for the Administration of this Contract is **David H. Melvin, President**. Project Manager shall be **Paula Weeks**.

(C) In the event that different representatives are designated by either party after execution of this Contract, notice of the name and address of the new representative will be rendered in writing to the party and said notification attached to the original of this Contract.

XI. Terms and Conditions

This Contract contains all the terms and conditions agreed upon by the parties.

XII. Eligibility

The CONSULTANT certifies that it is eligible to receive state and federally funded contracts. The CONSULTANT also certifies that no party which is ineligible for such work will be subcontracted to perform services under this Contract.

XIII. Conflict of Interest

No officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this Contract, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed. Further, the Contractor shall cause to be incorporated in all subcontracts the language set forth in this paragraph prohibiting conflict of interest.

XIV. Remedies

Unless otherwise provided in this contract, all claims, counter-claims, disputes, and other matters in question between the local government and the CONSULTANT, arising out of or relating to this contract, or the breach of it, will be decided by arbitration if the parties mutually agree or in a Florida court of competent jurisdiction.

XV. Access to Records

The local government, the Florida Department of Commerce, the U.S. Department of Housing and Urban Development, The Comptroller of the United States, the Chief Financial Officer of the State of Florida, the Auditor General of the State of Florida, the Florida Office of Program Policy Analysis and Government Accountability, and any of their duly authorized representatives shall have access to any books, documents, papers, and records of the CONSULTANT which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

XVI. Retention of Records

The CONSULTANT shall retain all records relating to this contract for six years after the local government makes final payment and all other pending matters are closed.

XVII. Environmental Compliance

If this contract exceeds $100,000, the CONSULTANT shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and U.S. Environmental Protection Agency regulations (40 C.F.R. Part 15). The CONSULTANT shall include this clause in any subcontracts over $100,000.

XVIII. Energy Efficiency

The CONSULTANT shall comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

XIX. Prohibition Against Contingent Fees

The CONSULTANT warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT to solicit or secure this agreement and that he has not paid or agreed to pay any person, company, corporations, individual, or firm, other than a bona fide employee working solely for the CONSULTANT any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement.

XX. If a Truth-in-Negotiations certificate was required for this contract, the firm agrees that the original contract price and additions thereto shall be adjusted to exclude any significant sums by which it is determined the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within one year following the end of the contract.

XXI. Federal Statutory Requirements

The CONSULTANT and the OWNER shall comply with the provisions contained in Attachment B and incorporated herein.

XXII. Lobbying

No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal Grant, the making of any federal loan, the entering into of any cooperative agreement, and extension, continuation, renewal, amendment, or modification of any federal contract, Grant, loan or cooperative agreement.

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, or an employee of a Member of Congress in connection with this federal contract, Grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form -LLL, Disclosures Form to Report Lobbying.

XXIII. Additional Terms

The OWNER and the CONSULTANT shall also be bound by and comply with each of the provisions contained in Attachment A which is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their undersigned officials as duly authorized.

DAVID H. MELVIN, INC.	CITY OF CHIPLEY
By:_____	By:_____
Name and Title: David H. Melvin, President	Name and Title: _____

ATTACHMENT A

SCOPE OF SERVICES

Task 1 – Compliance Monitoring

- Establish project files for the PROGRAM. These must demonstrate compliance with all applicable state, local and federal regulations. Monitor project files throughout the PROGRAM to ensure they are complete and that all appropriate documentation is being retained in the project files.
- Assist in conducting public meetings as required to explain the PROGRAM to residents. This includes, but is not limited to, such things as assisting in public hearings, preparing public notices, etc. Coordinate citizen participation throughout the project term.
- Arrange for contracting with other consulting firms as required.
- Request a wage decision for project construction activities.
- Prepare all bid documents, other than technical components, and supervise the bidding process consistent with state and federal regulations.
- Develop construction contract documents which comply with federal regulations. Examples of such regulations are Conflict of Interest, Access to Records, Copeland Anti-Kickback Act, Safety Standards, Architectural Barriers, Section 3, Section 109, Title VI, Civil Rights Act, etc.
- Obtain contractor and subcontractor clearance from the state.
- Conduct preconstruction conferences for construction activities.
- Check weekly payrolls to ensure compliance with wage decisions. Conduct on-site interviews and compare the results with appropriate payrolls.
- Monitor construction to ensure compliance with Equal Opportunity and labor standard provisions.

Task 2 – Financial Management

- Coordinate the Request for Payments procedures to ensure consistency with the AGENCY letter of credit procedures established for the Grant PROGRAM. This includes the establishment of a Grant checking account.
- Make progress and final inspections and certify partial and final payment requests.

Task 3 – Reporting Requirements

- Prepare quarterly reports and other reports as required for compliance with procedures. This includes any amendments which may be required.
- Prepare close-out documents to include project completion report, final wage compliance report, and certificates of completion.

Task 4 – Environmental Review

- Prepare Environmental Review Record for all activities, if required. Responsibilities include making a recommendation to the local government as to a finding of the level of impact, preparation for request for Removal of Environmental Conditions and acquiring adequate documentation. If necessary, prepare an Environmental Assessment. Secure documentation of compliance with requirements of intergovernmental coordination and review (clearinghouse) agencies.

Task 5 – Program Policy Development

- Assess the local government's compliance with state and federal regulations concerning procurement, employment, personnel and property management, records retention, fair housing, etc. Make recommendations for modifications, as appropriate.

Task 6 – Duplication of Benefits Review/Analysis

- Invoicing will be reviewed in coordination with documentation provided by pertinent jurisdiction to ensure no duplication of benefits is affected.

ATTACHMENT B

E-Verify Requirement

Contractors and subcontractors performing work funded by CDBG subgrants are required to enroll in the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees that they hire during the term of their contracts under Executive Order 11-116, signed by the Governor of Florida on May 27, 2011.

(a) E-Verify is an Internet-based system that allows businesses to determine the eligibility of their employees to work in the United States. A contractor or subcontractor that has not signed up for E-Verify and executed a memorandum of understanding with the Department of Homeland Security can enroll in the E-Verify system on the Department of Homeland Security's website listed below:

http://www.uscis.gov/e-verify/e-verify-enrollment-page

(b) Contractors and subcontractors shall enroll in the E-Verify system prior to hiring any new employee after the effective date of their contracts to perform work on CDBG-funded projects. The address for obtaining an Employer Memorandum of Understanding is:

http://www.uscis.gov/sites/default/files/USCIS/Verification/E-Verify/E-Verify_Native_Documents/MOU_for_E-Verify_Employer.pdf

(c) The Department of Homeland Security offers tutorials and other assistance at the web address below: http://www.uscis.gov/e-verify/you-start

APPENDIX A, 44 C.F.R. PART 18: CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements (To be submitted with each bid or offer exceeding $100,000)

The undersigned (Contractor) certifies, to the best of his or her knowledge, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of an Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of an Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form – **LLL**, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Contractor, David H. Melvin, Inc., certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contactor understands and agrees that the provisions of 31 U.S.C. § 3801 et. seq., apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official: _____

Name and Title of Contractor's Authorized Official: David H. Melvin, President

Date _____

ATTACHMENT C

FEDERAL REQUIREMENTS

Appendix II to Part 200 - Contract Provisions for Non-Federal Entity– Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. All references to a "Non-Federal Entity" herein shall be construed to mean the City of Chipley (CITY), it's officers, employees, and elected officials.

All Provisions shall be included and made a part of the final contract between the CITY and the CONSULTANT whether specifically included in the final contract document, or referenced within the contract document, in which case these provisions shall be included as a part of the Agreement as if specifically enumerated therein.

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the CITY under the Federal award must contain provisions covering the following, as applicable:

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where Consultants violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Consultants must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, Consultants must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Consultants and SubConsultants on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each Consultant or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each Consultant must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or

mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended – Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) – Consultants that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See § 200.323. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its Consultants must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(K) See § 200.216: Prohibition on certain telecommunications and video surveillance services or equipment.

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

(1) Procure or obtain;

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

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

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment

produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

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

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

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

© See Public Law 115–232, section 889 for additional information.

(d) See also § 200.47

(L) See § 200.322. Domestic preferences for procurements.

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014; 85 FR 49577, Aug. 13, 2020]