

May 8, 2026

Interim Police Chief Michael Lomeli  
Douglas Police Department  
300 W. 14th Street  
Douglas, AZ 85607

Subject: FFY 2025 Operation Stonegarden Grant Program Award  
Subrecipient Agreement Number: 250412-02  
Project Title: **OPSG Equipment**

Dear Interim Police Chief Lomeli:

The OPSG Budget/Narrative Application that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Operation Stonegarden Grant Program (OPSG) has been awarded. The project titled "**OPSG Equipment**" has been funded under the Operation Stonegarden Grant Program for **\$1,500**. The grant performance period is **May 11, 2026 through April 30, 2027**. This grant program is part of the U.S. Department of Homeland Security Grant Program and specifically is awarded under CFDA #97.067 (Catalog of Federal Domestic Assistance). The FFY 2025 federal award date as indicated in the U.S. DHS award package is 1/30/2026 with a total amount of funding of \$30,153,562. The Federal Award Identification Number is EMW-2025-SS-05003.

To initiate the award process, the following action items must be completed, signed and returned to AZDOHS.

1. Two Subrecipient Agreements - Download two original OPSG Subrecipient Agreements **(email attachment)**
  - a. Overtime/Mileage Subrecipient Agreement for an Overtime/Mileage grant
  - b. Equipment Subrecipient Agreement for an Equipment grant
2. OPSG Budget Detail **(email attachment)**
3. Environmental and Historic Preservation (EHP) required documentation (if applicable, see attached EHP Designation Letter). **(email attachment)**

Hard copies of the Award Letter, Budget Detail, EHP letter and Subrecipient Agreements will **not** be mailed to you. These items must be completed and on file at AZDOHS in order for your agency to be eligible for reimbursement. **If all documentation listed in numbers 1, 2, and 3 above (if applicable) is not signed and received by AZDOHS on or before July 31, 2026 this award is rescinded and the funds will be reallocated.**

This letter does not serve as authorization to obligate or begin spending funds toward this award. Obligations and expenditures cannot take place until **May 11, 2026**. If your project requires an Environmental and Historic Preservation (EHP) review, this must be completed, submitted and approved by FEMA/AZDOHS prior to any obligation/expenditure of funds. Additionally, all actions associated with this project must be completed, invoiced and received by the end of the period of performance. Reimbursements are limited to approved quantities and funding thresholds. You will not be reimbursed for quantities in excess of what you have been authorized to purchase. AZDOHS reserves the right to request additional documentation at any time.

If you should have any questions, please do not hesitate to contact your Strategic Planner.

Congratulations on your Operation Stonegarden Grant Program award.

Sincerely,



Kim O'Connor  
Director

Attachments to email: Subrecipient Agreement, OPSG Budget Detail, EHP Designation Letter

Subject: FFY 2025 Operation Stonegarden- EHP Level A Review

Subrecipient: Douglas Police Department  
Subrecipient Agreement Number: 250412-02  
Project Title: OPSG Equipment

Dear OPSG Stakeholder:

The project that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Operation Stonegarden Grant Program has been awarded.

Please be advised, all projects require an Environmental and Historic Preservation review. Your project has been reviewed and it has been determined to have no potential impact to environmental or historic concerns. No further EHP review is required unless you modify the project and it is approved by AZDOHS. If you need further clarification please contact Michael Stidham at (602) 228-3618 or [mstidham@azdohs.gov](mailto:mstidham@azdohs.gov) with AZDOHS for further information regarding the EHP specific requirements for your award.

As stated in the subrecipient agreement:

The subrecipient shall comply with Federal EHP regulations, laws and Executive Orders as applicable. Subrecipients proposing projects that have the potential to impact the environment, including but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities, or new construction including replacement of facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. DHS/FEMA will not fund projects that are initiated without the required EHP review.

Additionally, all recipients are required to comply with DHS/FEMA EHP Policy Guidance. This EHP Policy Guidance can be found in FP 108-023-1, Environmental Planning and Historic Preservation Policy Guidance, and FP 108.24.4, Environmental Planning and Historical Preservation Policy.

**FFY 2025 Operation Stonegarden Grant Program**  
**Budget Detail - Equipment**  
**Agency: Douglas Police Department**  
**Subrecipient Agreement #: 250412-02**

The signatures below verify the submission/approval process. All parties signify that all aspects of this project are allowable, reasonable and justifiable in accordance with published federal grant guidelines. Subrecipient agrees to the funding shown here:

EQUIPMENT	AEL	QUANTITY	COST/UNIT	TOTAL COST	TOTAL AWARD
Vehicle Upfit	12VE-00-MISS	1	\$1,500	\$1,500	<b>\$1,500</b>

Project Point of Contact

\_\_\_\_\_

Print Name

Signature

Date

AZDOHS Staff:

\_\_\_\_\_

**Belinda Torres**

Print Name

Signature

Date

This form is to be signed and returned.

**SUBRECIPIENT AGREEMENT  
25-AZDOHS-OPSG- 250412-02  
Between**

**The Arizona Department of Homeland Security (“AZDOHS”)**

**And**

**Douglas Police Department**

**UEI Number: KFGNFMWR35A6**

WHEREAS, A.R.S. §41-4254 makes the Arizona Department of Homeland Security (AZDOHS) responsible for administering the funds covered by this agreement (“Agreement”), the parties hereby agree to the following terms:

1. **Purpose of Agreement** This Agreement is to specify the rights and responsibilities of AZDOHS in administering the distribution of homeland security grant funds to Subrecipient, and to specify the rights and responsibilities of Subrecipient as the recipient of these funds.
2. **Period of Performance** This Agreement shall become effective on **May 11, 2026** and shall terminate on **April 30, 2027** (the “Period of Performance”). The obligations of Subrecipient herein survive termination of this Agreement.
3. **Description of Services** Subrecipient must fulfill all obligations set forth in Subrecipient’s approved grant application titled: **“OPSG EQUIPMENT”** and funded at **\$1,500** (as may have been modified by the award letter).
4. **Financing and Fiscal Responsibility** Under the U.S. Department of Homeland Security (“DHS”) grant #EMW-2025-SS-05003 and Catalog of Federal Domestic Assistance (“CFDA”) #97.067, AZDOHS shall provide up to **\$1,500** to Subrecipient under this Agreement.

Payment to Subrecipient must be on a reimbursement basis only, conditioned upon Subrecipient providing AZDOHS with proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by AZDOHS. A list of acceptable documentation is at [www.azdohs.gov](http://www.azdohs.gov). Payments are contingent on Subrecipient performing all its obligations under this Agreement. Subrecipient may use the funds provided under this Agreement only as provided in the application and award documentation. If Subrecipient does not complete all its obligations, Subrecipient must immediately reimburse all previously provided funds to AZDOHS. If Subrecipient completes its obligations at a lower than the budgeted cost, the amount reimbursed to Subrecipient will be only the amount actually spent by Subrecipient in accordance with the approved application. For any expenditure disallowed after or otherwise by AZDOHS, or the State or Federal government, Subrecipient must immediately reimburse such funds to AZDOHS.

5. **Reporting Requirements** Subrecipient must submit quarterly programmatic reports to AZDOHS as follows:

**January 15** (for the period from October 1– December 31)

**April 15** (for the period from January 1 – March 31)

**July 15** (for the period from April 1 – June 30)

**October 15** (for the period from July 1 – September 30)

Subrecipient must use the Quarterly Programmatic Report form (<https://azdohs.gov/grant-program-forms>) for these reports. Subrecipient must provide detailed information on the status of completion of the planned activities in the approved application satisfactory to AZDOHS in its sole discretion. Failure to adequately provide such information will result in the Quarterly Programmatic Report being rejected by AZDOHS and resubmission will be required. If the program has been fully completed so that there will be no further updates, then the quarterly report for the quarter in which the program was completed will be the final report; the report should be marked as “final” and must include all pertinent information regarding the program as determined solely by AZDOHS.

Final Quarterly Programmatic Report: The final quarterly programmatic report is due no more than **15** calendar days after the end of the performance period. Subrecipient may submit a final quarterly report prior to the end of the performance period if the scope of the project has been fully completed and implemented. The Property Control Form is due with the final quarterly report (if applicable).

6. **Reimbursements** Subrecipient must provide AZDOHS with requests for reimbursement as frequently as monthly but not less than quarterly; submissions must be made via US Mail, delivery service (FedEx, UPS, etc.) or in person; **submissions via fax or by any electronic means will not be accepted**. Reimbursement requests shall be submitted with the Reimbursement Form provided by AZDOHS staff. AZDOHS has the right to require Subrecipient to provide any documentation and/or information AZDOHS deems necessary to process submissions.

Reimbursement requests are only required when expenses have been incurred. The Subrecipient shall submit a final reimbursement request, marked as such, for expenses received and invoiced prior to the end of the period of performance. The final reimbursement must be **received** by AZDOHS no more than **45** calendar days after the end of the period of performance. Requests for reimbursement received by AZDOHS later than 45 calendar days after the end of the period of performance will not be paid.

Subrecipients will only be reimbursed for expenses that have been obligated, expended and received within the authorized Period of Performance as identified in Paragraph 2 of this Agreement. Subrecipients are not authorized to obligate or expend funds prior to the start date of the Period of Performance. Any expenses obligated or expended prior to the Period of Performance start date will be deemed unallowable and will not be reimbursed. Any expenses/services that occur beyond the Period of Performance (e.g. cell phone service) will be deemed unallowable and will not be reimbursed.

7. **Environmental Planning and Historic Preservation** Subrecipient **must** comply with Federal, State, and Local environmental and historical preservation (EHP) regulations, laws and Executive Orders as applicable. See <https://www.fema.gov/emergency-managers/practitioners/environmental-historic/laws/ehp-directive-instruction> and <https://azdohs.gov/environmental-and-historic-preservation-ehp>. Subrecipients proposing programs with potential environmental impact **must** participate in the DHS/Federal Emergency Management Agency (FEMA) EHP review process. Subrecipient **must** complete the EHP review process before funds will be released by AZDOHS. If Subrecipient engages in ground disturbing activities, Subrecipient must monitor ground disturbance. If archeological resources are discovered, Subrecipient must immediately (a) cease construction and (b) notify FEMA, AZDOHS, and the Arizona State Historic Preservation Office. AZDOHS/DHS/FEMA **will not fund or reimburse** projects that are initiated without the required EHP review.
8. **Procurement (including Noncompetitive Procurement)** Subrecipient must comply with its procurement rules/policies, all Federal procurement rules/policies, including provisions of 2 CFR Part 200, which were updated by OMB in April of 2024, and all Arizona Procurement Code provisions and rules, the most restrictive of which will apply. Subrecipient **must not** enter into a noncompetitive procurement unless AZDOHS grants **prior written approval** via the Noncompetitive Procurement Request form at <https://azdohs.gov/grant-program-forms>.
9. **Property Control** Subrecipient must safeguard and maintain control and accountability for all property/equipment purchased under this Agreement, and Subrecipient must assure that it is used only for purposed authorized under this Agreement and maintained as provided in 2 CFR 200.313. Such property/equipment shall be used by Subrecipient in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal grant funds. Subrecipient must immediately investigate and report to AZDOHS any loss, damage, or theft. Subrecipient must replace any property/equipment lost, damaged or stolen at Subrecipient's expense, and must immediately submit an updated Property Control Form (<https://azdohs.gov/grant-program-forms>) to AZDOHS.

"Nonexpendable Property/Equipment" is property that has a continuing use, is not consumed in use, has an expected life of one year or more, costs \$10,000 or more per unit, and does not become a fixture or lose its identity as a component of other equipment/systems, while a "Capital Asset" is personal or real property or a fixture costing \$10,000 or more per unit with an expected life of one year or more. Subrecipient is solely responsible for the proper maintenance of all Nonexpendable Property/Equipment and Capital Assets acquired under this Agreement. Subrecipient must take a physical inventory of all such Nonexpendable Property/Equipment and Capital Assets and reconcile the results with the Property Control Form at least once every two years. Subrecipient must maintain a control system to prevent loss, damage, or theft of such Nonexpendable Property/Equipment and Capital Assets, and Subrecipient must immediately report any loss, damage, or theft to AZDOHS. A Property Control Form (if applicable) shall be maintained for the entire scope of the program or project for which property was acquired through the end of its useful life and/or disposition. All Nonexpendable Property and Capital Assets must be included on the Property Control Form. **The Subrecipient, if applicable, shall provide AZDOHS a copy of the Property Control Form with the final quarterly programmatic report.** The Property Control Form can be located at <https://azdohs.gov/grant-program-forms>. The Subrecipient agrees

to be subject to equipment monitoring and auditing by state or federal authorized representatives to verify information.

When Nonexpendable Property/Equipment and/or Capital Assets acquired under this Agreement are no longer needed by the Subrecipient for the original program or for other activities currently or previously supported by a federal awarding agency, Subrecipient must immediately submit an updated Property Control Form to AZDOHS, and any disposition must be in compliance with AZDOHS Disposition Guidance (<https://azdohs.gov/grant-program-forms>) and 2 CFR Part 200, including specifically 2 CFR 200.313. If Subrecipient seeks disposition of such Nonexpendable Property/Equipment or Capital Assets for any reason other than theft, destruction, or loss, Subrecipient must submit an Equipment Disposition Request Form (<https://azdohs.gov/grant-program-forms>) to AZDOHS and receive approval from AZDOHS prior to disposition. Subrecipient must update the Property Control Form and provide a copy to AZDOHS within 45 calendar days after disposition. Per 2 CFR 200.333(c), Subrecipient must retain all records relating to such Nonexpendable Property/Equipment and Capital Assets for 3 years after disposition.

10. **Training and Exercise** All training and/or exercise events must be included in Subrecipient's application. Alternate/additional training/exercise requests must be approved in advance by AZDOHS. Subrecipient must submit a Project Modification Request Form (<https://azdohs.gov/grant-program-forms>) for review and approval by AZDOHS prior to scheduling alternate/additional training/exercise events. For those projects that are managed by DEMA, alternate/additional training requests must be approved in advance by DEMA and AZDOHS using the Pre-approval form (<https://dema.az.gov/emergency-management/preparedness/training-branch>). All exercises must comply with FEMA Homeland Security Exercise and Evaluation Program (<https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>; "HSEEP") guidance. Subrecipient will (a) Submit an exercise summary and attendance/sign-in roster; and (b) Email the After Action Report/Improvement Plan to the local County Emergency Manager, AZDOHS, and the DEMA Exercise Branch, within 90 days of completion of an exercise or as prescribed by HSEEP.
11. **Consultants/Trainers/Training Providers** Invoices for consultants/trainers/training providers must include: a description of services; dates of services; number of hours for services performed; rate charged; and the total cost of services. Rates must be within the prevailing rates; must be consistent with Subrecipient's procurement policies and 2 CFR Part 200; and shall not exceed **\$650** per day per consultant/trainer/training provider unless AZDOHS grants prior written approval. This includes internal personnel hired on backfill/overtime to deliver training. Subrecipient will not be reimbursed costs other than travel, lodging, meals, and incidentals on travel days for consultants/trainers/training providers, at rates not to exceed State rates, and itemized receipts are required. See Travel Costs below, at Paragraph 12.
12. **Travel Costs** All grant funds expended for travel, lodging, meals and incidentals are subject to the standards of Subrecipient's policies and procedures, and the State of Arizona Accounting Manual (<https://gao.az.gov/publications/saam>), which Subrecipient must apply uniformly to both Federally financed and its other activities. AZDOHS will reimburse at the most restrictive allowability and rates. At no time will Subrecipient's reimbursements exceed the State rates established by the Arizona Department of Administration: <https://gao.az.gov/travel>.

13. **Contractors/Subcontractors** Subrecipient may enter into written subcontract(s) in accordance with 2 CFR Part 200 and the NOFO. No subcontract that the Subrecipient enters into relieves Subrecipient of any responsibilities under this Agreement. Subrecipient must give AZDOHS immediate notice in writing of any action filed or claim made against Subrecipient by any subcontractor or vendor.
14. **Allowable Costs** The allowability of costs incurred under this Agreement shall be determined by AZDOHS in its sole discretion and in accordance with the general principles and standards set forth in the CFR, FEMA Authorized Equipment List (<https://www.fema.gov/grants/tools/authorized-equipment-list>), and guidance documents (i.e. NOFO, Preparedness Grants Manual, Information Bulletins). Subrecipient's use of grant funds for indirect costs must be in accordance with 2 CFR Part 200, including 2 CFR 200.211(b)(16) and the NOFO. Subrecipient must apply to AZDOHS for its written approval of indirect costs prior to expenditure. Subrecipient may not expend grant funds for Management and Administrative costs for administering such funds without prior written approval of AZDOHS.
15. **Amendments** Any change in this Agreement including but not limited to the Description of Services, Period of Performance and budget described herein, whether by modification or supplementation, must be accomplished by a formal Agreement amendment signed and approved by and between the duly authorized representatives of the Subrecipient and the AZDOHS. Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the Subrecipient's reimbursement, if applicable; 3) be titled as an "Amendment," and 4) be signed by the parties identified in the preceding paragraph. The Subrecipient expressly and explicitly understands and agrees that no other method of communication, including any other document, correspondence, act, or oral communication by or from any person, shall be used or construed as an amendment or modification or supplementation to this Agreement.
16. **Audit/Monitoring**
- a. Subrecipient must comply with the record-keeping and other requirements of ARS 35-214 and 35-215, and shall ensure that its contractors and subcontractors at all tiers also comply.
  - b. Under 31 USC 7501-7507 and 2 CFR 200.501, Subrecipient will be subject to audit per 2 CFR Part 200, if Subrecipient expended \$1,000,000 or more in Federal awards in its previous fiscal year. If Subrecipient has met or exceeded this threshold, Subrecipient must submit to AZDOHS a copy of Subrecipient's single audit or program specific audit report for the previous fiscal year (and for subsequent fiscal years that fall within the Period of Performance) annually, within 9 months of Subrecipient's fiscal year end. Subrecipients not subject to this requirement must submit to AZDOHS via [audits@azdohs.gov](mailto:audits@azdohs.gov) a statement that they do not meet the threshold and therefore do not have to complete a single audit or program specific audit.
  - c. Failure of Subrecipient to comply with any requirements resulting from an audit will suspend reimbursement by AZDOHS to Subrecipient and Subrecipient will not be eligible for any new award, until Subrecipient is in complete compliance.

AZDOHS will monitor Subrecipient to ensure that program goals, objectives, performance requirements, timelines, planned objectives, budgets, and all other related program criteria

are being met. Subrecipient must comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff and must require any contractors, successors, transferees, and assignees to comply with these same provisions pursuant to 2 CFR § 200.337. Subrecipient must cooperate with any review or investigation conducted by DHS and/or AZDOHS. Subrecipient must give DHS and AZDOHS access to and the right to copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as deemed necessary by DHS or AZDOHS. Subrecipient must submit timely, complete, and accurate reports to the appropriate DHS and AZDOHS officials and maintain appropriate backup documentation. Subrecipient must comply with all other reporting, data collection, and evaluation requirements prescribed by law or in program guidance.

- 17. NOFO, DHS Standard Terms, Agreement Articles, and PGM** Subrecipient must comply with all applicable terms within the Notice of Funding Opportunity (NOFO), the FY 2025 DHS Standard Terms and Conditions, the Agreement Articles attached to the FEMA Award Letter to AZDOHS, and the Preparedness Grant Manual (PMG). The applicable terms of each of the NOFO, FY 2025 DHS Standard Terms and Conditions, Agreement Articles, and PMG are hereby incorporated into this Agreement, and many, but not all, of the applicable terms are also included or restated within this Agreement. If a condition in the NOFO is inconsistent with FY 2025 DHS Standard Terms and Conditions, the condition shall be invalid to the extent of the inconsistency.

However;

Notwithstanding their inclusion in the Agreement Articles and 2025 DHS Standard Terms and Conditions, the following terms and Agreement Articles do not apply: (1) paragraph C.IX (Communication and Cooperation with the Department of Homeland Security and Immigration Officials) of the 2025 DHS Standard Terms and Conditions and the Agreement Article titled “Communication and Cooperation with the Department of Homeland Security and Immigration Officials”; and (2) paragraph C.XVII(2)(a)(iii) (Anti-Discrimination Grant Award Certification regarding immigration) of the 2025 DHS Standard Terms and Conditions and paragraph (2)(a)(iii) of the Agreement Article titled “Anti-Discrimination.”

AND

In regard to SHSP and UASI Programs, Pursuant to the memorandum and order issued on September 24, 2025, in State of Illinois, et al. v. Federal Emergency Management Agency, et. al, No. 25-206 (D.R.I.) and the preliminary injunction order issued on August 22, 2025, in City and County of San Francisco, et al. v. Trump, et al., No. 3:25-cv-01350 (N.D. Cal.), the following terms and conditions do not apply to awards or subawards subject to the orders while the orders remains in effect: (1) paragraph C.IX (Communication and Cooperation with the Department of Homeland Security and Immigration Officials) of the DHS Standard Terms and Conditions and the Agreement Article titled “Communication and Cooperation with the Department of Homeland Security and Immigration Officials” in this award package; (2) paragraph C.XVII(2)(a)(iii) (Anti-Discrimination Grant Award Certification regarding immigration) of the DHS Standard Terms and Conditions and paragraph (2)(a)(iii) of the Agreement Article titled “Anti-Discrimination” in this award package; and (3) the “State Homeland Security

Program: Compliance with Federal Immigration Law” Agreement Article. If memorandum and order or preliminary injunction in either of these matters are stayed, vacated, or extinguished, the “State Homeland Security Program: Compliance with Federal Immigration Law” Agreement Article (Article 61) will immediately become effective.

18. **National Incident Management System** Subrecipient must remain in compliance with National Incident Management System implementation initiatives as provided in the NOFO.
19. **Communications Equipment** All Land Mobile Radio equipment purchased must comply with: (a) P25 (Project 25) standards (<https://www.cisa.gov/safecom>); (b) SAFECOM Guidance (<https://www.cisa.gov/safecom>); (c) Land Mobile Radio Minimum Equipment Standards as approved by the Statewide Interoperability Executive Committee (<https://www.azdps.gov/content/basic-page/127>); and (d) Arizona's State Interoperable Priority Programming Guide (<https://www.azdps.gov/content/basic-page/127>).
20. **Nonsupplanting Agreement** Subrecipient must not use funds received under this Agreement to supplant Federal, State, Tribal or Local funds or other resources, and may be required to document this. If a position created by this Agreement is filled from within, the resulting vacancy must be filled within 30 days, and if not, Subrecipient must stop charging the grant for the new position; upon filling the vacancy, Subrecipient may resume charging for the position. A cost allocable to a particular Federal award provided for in 2 CFR Part 200 Subpart E may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal award(s), or any other reason. However, Subrecipient from may shift costs allowable under two or more Federal awards if allowed by Federal statute, regulation, or the terms of the Federal award(s).
21. **E-Verify** Subrecipient must comply with all State and Federal immigration laws and regulations relating to its employees and to employees of any contractor or subcontractor retained through Subrecipient to provide goods or services related to this Agreement, including but not limited to ARS 23-214(A) and ARS 41-4401. A breach of this obligation is a material breach of this Agreement and Subrecipient may be subject to penalties to be determined at AZDOHS's discretion, up to and including termination of this Agreement. AZDOHS will have the right to inspect the papers of any Subrecipient employee who works on this Agreement, and to those of any employee of any contractor or subcontractor retained through Subrecipient.
22. **Research and Development** Subrecipient may not use funds obtained under this Agreement for research/development.
23. **Funds Management** Subrecipient must maintain funds received under this Agreement in separate accounts and cannot mix these funds with funds from other sources. Subrecipient must manage funds according to all applicable Federal regulations, including 2 CFR Part 200 and specifically 2 CFR 200.302. Subrecipient must maintain the following business systems:
  - Financial Management
  - Procurement

- Personnel
- Property
- Travel

To be adequate, a business system must be 1) complete and in writing; and 2) consistently followed – Subrecipient must apply it in all circumstances, regardless of funding source.

- 24. Reporting of Matters Related to Recipient Integrity and Performance** If the total of Subrecipient's currently active grants, cooperative agreements, and procurement contracts from all Federal assistance offices exceeds \$10,000,000 at any time during the Period of Performance, Subrecipient must comply with Appendix XII to 2 CFR Part 200.
- 25. Mandatory Disclosures** Subrecipient must disclose, in a timely manner and in writing, to AZDOHS all violations of federal criminal law involving, fraud, bribery, or gratuity violations potentially affecting the Federal award, as required by 2 CFR 200.113.
- 26. Nondiscrimination** Subrecipient must comply with the following that apply to this Federally-funded program:
- a. 29 USC 794, which bars discrimination against qualified handicapped individuals solely by reason of the handicap;
  - b. 42 USC 2000d *et seq.*, 6 CFR Part 21, and 44 CFR Part 7, which bar discrimination on grounds of race, color, or national origin (which requires Subrecipient to take reasonable steps to provide accommodation to persons with Limited English Proficiency; Subrecipient must refer to the DHS Guidance at <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and the resources at <http://www.lep.gov>);
  - c. All State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including but not limited to Arizona Executive Order 2023-01 (<https://azgovernor.gov/office-arizona-governor/executive-order/1-0>) and 42 USC 12101-12213 (which bar discriminating on the basis of disability);
  - d. 42 USC 6101 *et seq.*, which prohibits discrimination on the basis of age;
  - e. The equal treatment policies and requirements contained in 6 CFR Part 19 and other applicable statutes, regulations, and guidance governing faith-based organizations;
  - f. 20 USC 1681 *et seq.* and 6 CFR Part 17 and 44 CFR Part 19, which bars discrimination on the basis of sex; and
  - g. 42 USC 3601 *et seq.* and 24 CFR Part 100, which prohibit discrimination in the sale, rental, financing, and advertising of dwellings, or in the provision of related services, on the basis of race, color, national origin, religion, disability, familial status, and sex.
- 27. Anti-discrimination** Subrecipient must comply with all applicable Federal anti-discrimination laws material to the government's payment decisions for purposes of 31 U.S.C. 3729(b)(4).

(1) Definitions. As used in this clause;

(a) DEI means “diversity, equity, and inclusion.”

(b) DEIA means “diversity, equity, inclusion, and accessibility.”

(c) Discriminatory equity ideology has the meaning set forth in Section 2(b) of Executive Order 14190 of January 29, 2025.

(d) Federal anti-discrimination laws mean Federal civil rights law that protect individual Americans from discrimination on the basis of race, color, sex, religion, and national origin.

(2) Grant award certification.

(a) By accepting the grant award, recipients are certifying that:

(i) They do not, and will not during the term of this financial assistance award, operate any programs that advance or promote DEI, DEIA, or discriminatory equity ideology in violation of Federal anti-discrimination laws; and

(ii) They do not engage in and will not during the term of this award engage in, a discriminatory prohibited boycott.

(3) DHS reserves the right to suspend payments in whole or in part and/or terminate financial assistance awards if the Secretary of Homeland Security or her designee determines that the recipient has violated any provision of subsection (2).

(4) Upon suspension or termination under subsection (3), all funds received by the subrecipient shall be deemed to be in excess of the amount that the subrecipient is determined to be entitled to under the Federal award for purposes of 2 CFR § 200.346. As such, all amounts received will constitute a debt to the Federal Government that may be pursued to the maximum extent permitted by law.

**28. Intellectual Property** Subrecipient must affix the copyright notices required by 17 USC 401 and 402 and include an acknowledgement of Government sponsorship (including award number) to any work first produced under this Agreement. Unless otherwise provided by law, Subrecipient is subject to 35 USC 200-212 and is subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards that are in 37 CFR Part 401, including specifically 37 CFR 401.14. Subrecipient must obtain DHS’s approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials. Subrecipient agrees that DHS and AZDOHS have a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use: (a) the copyright in any work developed under an award or sub-award; and (b) any rights of copyright to which Subrecipient purchases ownership with Federal support. Subrecipient must acknowledge its use of Federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing programs funded in whole or in part with Federal funds. Subrecipient must not advertise

or publish information for commercial benefit concerning this Agreement without the prior written approval of AZDOHS.

29. **Activities Conducted Abroad** Subrecipient must ensure that program activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.
30. **Federal Debt Status** Subrecipient must not be delinquent on any Federal obligations, including but not limited to payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 ([https://www.whitehouse.gov/wp-content/uploads/legacy\\_drupal\\_files/omb/circulars/A129/a-129.pdf](https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/circulars/A129/a-129.pdf))
31. **Required Use of American Iron, Steel, Manufactured Products, and Construction Materials** Subrecipients must comply with 2 CFR Part 184, which codifies the Build America, Buy America Act (BABAA) Preference applicable to Federal financial assistance programs for infrastructure projects.

In addition to the DHS Standard Terms and Conditions regarding Required Use of American Iron, Steel, Manufactured Products, and Construction Materials, recipients and subrecipients of FEMA financial assistance for programs that are subject to BABAA must include a Buy America preference contract provision as noted in 2 CFR§ 184.4 and a self-certification as required by the FEMA BABAA Preference in FEMA Financial Assistance Programs for Infrastructure (FEMA Interim Policy #207-22-0001). This requirement applies to all subawards, contracts, and purchase orders for work performed, or products supplied under the FEMA award subject to BABAA.

32. **Compliance with Certain Federal Statutes, Regulations, and Requirements**
  - a. Subrecipient must comply with the 31 USC 3729-3733, which prohibits the submission of false or fraudulent claims for payment to the Federal government; 31 USC 3801-3812 detail the remedies for false or fraudulent claims made.
  - b. Subrecipient must comply with the Energy Policy and Conservation Act, 42 USC 6201 *et seq.*, which contain policies relating to energy efficiency that are defined in the State energy conservation plan issued in compliance with this Act.
  - c. Subrecipient must comply with the drug-free workplace requirements in 2 CFR Part 3001 and 41 USC 8101-8106.
  - d. Subrecipient, and any contractors or subcontractors of Subrecipient are subject to the prohibitions described in section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232 (2018) and 2 CFR §§200.216, 200.327, 200.471, and Appendix II to 2 CFR Part 200. The statute prohibits obligating or expending federal award funds on certain telecommunications and video surveillance products and contracting with certain entities for national security reasons.
  - e. If grant funds are used for construction, Subrecipient and its contractors and subcontractors at all tiers must comply with the Davis-Bacon Act (40 USC 3141 *et seq.*). Subrecipients must obtain AZDOHS' written approval before using Homeland Security Grant Program ("HSGP") funds for construction/renovation per <https://www.dol.gov/whd/govcontracts/dbra.htm>.

- f. Subrecipient must maintain insurance coverage as provided in 2 CFR § 200.310. Subrecipient must provide at least the equivalent insurance coverage for real property and equipment acquired or improved under this Agreement as provided to property owned by Subrecipient.
- g. Subrecipient must comply with 42 USC 6962 and 2 CFR § 200.323, including procuring only items designated in the Environmental Protection Agency (“EPA”) guidelines at 40 CFR Part 247 as containing the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.
- h. Subrecipient must comply with all Federal whistleblower protections, including 41 USC 4712.
- i. Subrecipient must comply with the USA PATRIOT Act, Pub. L. 107-56, Section 817 and 18 USC 175-175c.
- j. Subrecipient must comply with the System for Award Management and Universal Identifier Requirements in 2 CFR, Appendix A to Part 25.
- k. Subrecipient must comply with the Trafficking Victims Protection Act, 22 USC 7101 *et seq.*, as required by 2 CFR § 175.105.
- l. Subrecipient must comply with US Executive Order 13224 (<https://www.state.gov/executive-order-13224/>) and all US laws that prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism.
- m. Subrecipient must comply with the requirements on Reporting Subawards and Executive Compensation in Appendix A to 2 CFR Part 170 for Federal awards that total or exceed \$30,000.
- n. Subrecipient is subject to the debarment and suspension regulations in US Executive Order 12549 (<https://www.archives.gov/federal-register/codification/executive-order/12549.html>), US Executive Order 12689 (<https://www.federalregister.gov/executive-order/12689>), 2 CFR Part 180, including 2 CFR §180.335, and 2 CFR Part 3000. These restrict Federal awards, subawards, and contracts with parties debarred, suspended, or otherwise excluded from or ineligible for Federal programs or activities.
- o. If Subrecipient collects Personally Identifiable Information (“PII”), it must have a publicly-available privacy policy stating its standards for the usage and maintenance of PII. PII is any information that permits the identity of an individual to be directly or indirectly inferred, including information linked or linkable to that individual. Subrecipient must follow DHS guidance (<https://www.dhs.gov/publication/privacy-impact-assessment-guidance>).
- p. Subrecipient must complete either the Office of Management and Budget (OMB) Standard Form 424B Assurances - Non-Construction Programs (<https://omb.report/icr/202011-0560-005CF>), or OMB Standard Form 424D Assurances - Construction Programs (<https://omb.report/icr/200906-4040-008>), as

- applicable. The DHS financial assistance office (DHS FAO) may determine that certain assurances in these documents may not apply, or may require additional assurances; Subrecipient must contact the DHS FAO with any questions. Subrecipient must follow the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 and 2 CFR Part 3002.10. By entering into this Agreement, Subrecipient and its executives, as defined in 2 CFR § 170.315, certify that Subrecipient's policies comply with 2 CFR Part 200, all applicable Federal laws, and applicable guidance.
- q. Subrecipient must comply with the National Environmental Policy Act ("NEPA") 42 USC 4321 *et seq.*, and Council on Environmental Quality regulations (40 CFR Parts 1500-1508) regarding NEPA.
  - r. Subrecipient must comply with 31 USC 1352 and 6 CFR Part 9, and may not use funds provided under this Agreement to pay any person to influence or attempt to influence an officer or employee of any government agency, Member of Congress, officer or employee of Congress, or an employee of a Member of Congress, relating in any way to a Federal award or contract. Per 6 CFR Part 9, recipients must file a lobbying certification form and a lobbying disclosure form, which are available on Grants.gov as the Disclosure of Lobbying Activities (SF-LLL).
  - s. In accordance with 15 USC 2201 *et seq.* and 15 USC 2225a in particular, Subrecipient must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with all applicable fire prevention and control guidelines.
  - t. Subrecipient must comply with the International Air Transportation Fair Competitive Practices Act (IATF CPA) of 1974, 49 USC 40118, and the interpretative guidelines in Comptroller General Decision B-138942 (<https://www.gao.gov/products/b-138942>). International travel, however, is not an allowable cost unless approved in advance by DHS/FEMA.
  - u. Subrecipient must comply with the requirements of Presidential Executive Orders related to grants (also known as federal assistance and financial assistance), the full text of which are incorporated by reference.
  - v. Subrecipient must include in all contracts and purchase orders for work or product a contract provision encouraging domestic preference for procurements.
- 33. Applicability of DHS Standard Terms and Conditions to Tribal Nations** The DHS Standard Terms and Conditions are a restatement of general requirements imposed upon recipients and flow down to subrecipients as a matter of law, regulation, or Executive Order. If the requirement does not apply to Tribal Nations, or there is a federal law or regulation exempting its application to Tribal Nations, then the acceptance by Tribal Nations, or acquiescence to DHS Standard Terms and Conditions does not change or alter its inapplicability to a Tribal Nation. The execution of grant documents is not intended to change, alter, amend, or impose additional liability or responsibility upon the Tribal Nations where it does not already exist.

34. **Cancellation for Conflict of Interest** AZDOHS may, by written notice to Subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to ARS 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement for AZDOHS is an employee or agent of Subrecipient in any capacity, or a consultant to Subrecipient with respect to this Agreement's subject matter. Cancellation shall be effective when Subrecipient receives AZDOHS' written notice, unless the notice specifies a later time.
35. **Assignment and Delegation** Subrecipient may not assign any rights hereunder without an express written agreement signed by authorized representatives of both parties.
36. **Third Party Antitrust Violations** Subrecipient hereby assigns to the State of Arizona any claim for overcharges resulting from antitrust violations, to the extent that such violations concern materials or services supplied by third parties to Subrecipient toward fulfilling this Agreement.
37. **Availability of Funds** AZDOHS' payment obligations under this Agreement are conditioned on the availability of funds appropriated or allocated for this purpose, per ARS 35-154. If funds are not allocated and available, AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to AZDOHS in the event this provision is exercised, and AZDOHS shall not be obligated or liable for any future payments or for any damages as a result of termination under this Paragraph, including purchases and/or contracts entered into by Subrecipient in the execution of this Agreement.
38. **Force Majeure** If either party is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, or other causes without fault and beyond the control of the party obligated, performance of such act will be excused for the period of the delay.
39. **Dispute Resolution** In the event of a dispute regarding this Agreement, written notice must be provided to the other party within 30 calendar days of the relevant events. Any claim made by or against AZDOHS relating to this Agreement shall be resolved through the administrative claims process. The parties agree to resolve all disputes relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by ARS 12-1518 except as may be required by other applicable statutes. The forum for any dispute arising out of this Agreement shall be Maricopa County, Arizona.
40. **Governing Law and Interpretation of This Agreement** This Agreement is governed by the laws of the State of Arizona, without regard to its conflict of laws provisions. This Agreement is the parties' complete agreement and replaces the parties' prior and contemporaneous agreements, representations, and understandings pertaining to its subject matter, whether oral or written. No course of dealings or usage of the trade supplements or explains any terms. A party's failure to insist on strict performance of any term is not a waiver of that term, even if the party accepting or acquiescing in the nonconforming performance knows the nature of the performance and fails to object. If any new legislation, laws, ordinances, or rules affect this Agreement, this Agreement automatically incorporates the terms of such legislation, laws, ordinances, or rules. Any term of this Agreement that is declared contrary to any current or future law, order, regulation, or rule, or that is otherwise invalid, shall be deemed stricken without impairing the validity of the remainder of this Agreement. In the event FEMA determines that

changes are necessary to this Agreement after it has been entered into, including changes to Period of Performance or other terms, Subrecipient will be notified of the changes in writing; once notification is made, any subsequent request for funds by Subrecipient will constitute Subrecipient's acceptance of the changes and will incorporate the changes into this Agreement. Except as expressly provided in this Paragraph, any amendment to or extension of this Agreement may be made only in a writing signed by authorized representatives of both parties. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

41. **Licensing** Unless otherwise exempted by law, Subrecipient must obtain and maintain all licenses, permits, and authority necessary to perform its obligations under this Agreement.
42. **Sectarian Requests** Funds disbursed under this Agreement may not be used for any sectarian purpose or activity, including worship or instruction in violation of the US or Arizona Constitutions.
43. **Closed-Captioning of Public Service Announcements** Any television public service announcement funded in whole or in part by this Agreement must include closed captioning.
44. **Indemnification** Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury to any person (including death) or property damage, but only to the extent such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona and AZDOHS are self-insured per ARS 41-621. If Subrecipient utilizes contractor(s) and/or subcontractor(s), the indemnification clause between Subrecipient and contractor(s) and subcontractor(s) shall include the following:

*Contractor shall defend, indemnify, and hold harmless the Arizona Department of Homeland Security and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter, "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any Federal, State or Local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall name*

*the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and also include a waiver of subrogation in favor of the State.*

45. **Termination** Each party has the right to terminate this Agreement if the other party fails to comply with this Agreement. A party invoking the right to terminate shall provide written 30 day advance notice of all reasons for the termination. If Subrecipient chooses to terminate this Agreement before all deliverables have been delivered, AZDOHS has the right to recover all reimbursements made to Subrecipient. On termination, AZDOHS may procure, on terms that it deems appropriate, materials or services to replace those that otherwise would have been provided by Subrecipient, and Subrecipient will be liable to AZDOHS for all excess costs incurred by AZDOHS in procuring such materials or services. Subrecipient must continue to perform this Agreement until the date of termination, as directed in the termination notice. If AZDOHS reasonably believes Subrecipient does not intend to, or is unable to fully perform this Agreement, AZDOHS may demand in writing that Subrecipient give written assurance of its intent and ability to perform. If Subrecipient fails to provide written assurance within the time specified in the demand, AZDOHS may terminate this Agreement.
46. **Termination of the Federal Award** In addition to the “Termination” clause above, Subrecipients agree to be bound by the Termination of the Federal Award provisions contained in the NOFO, to the extent such provisions apply to subrecipients. Note that subrecipients are *not* bound by Term XL (“Termination of a Federal Award”) of the FY 2025 DHS Standard Terms and Conditions or Article 42 of the Agreement Articles.
47. **Paragraph Headings** Paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the interpretation of this Agreement.
48. **Counterparts** This Agreement may be executed in any number of counterparts, copies, or duplicate originals. Each such counterpart, copy, or duplicate original shall be deemed an original, and collectively they shall constitute one Agreement.
49. **Authority to Execute This Agreement** The person executing this Agreement on behalf of Subrecipient represents and warrants that he/she is duly authorized to do so.
50. **Transfer of Funds Prohibition** Subrecipient may not transfer funds between programs (e.g., State Homeland Security Program, Urban Area Security Initiative, and Operation Stonegarden).
51. **Parties** This Agreement is for the benefit of AZDOHS and Subrecipient as the only parties to this Agreement, and to their respective successors, assigns, executors and legal representatives. Except as expressly provided in this Agreement, nothing in this Agreement confers on any person other than the parties and their respective successors and assigns, any rights, remedies, obligations, or liabilities.
52. **Respective Responsibilities** Except as expressly provided in this Agreement, each party agrees that, to the extent authorized by law, it will be responsible for its own acts or omissions and the results thereof and will not be responsible for the acts or omissions of the other party and the results thereof. In the event that either party becomes aware of

any claim made by or expected from a claimant against a party to this Agreement, which claim relates to the subject matter of this Agreement, that party will immediately notify the other party, and the parties will share all information regarding such matter and cooperate with each other in addressing the matter. The parties are independent contractors, and nothing contained in this Agreement will create the relationship of partnership, joint venture, agency, or employment between the parties or any of their employees, officers, agents, or contractors. Each party hereby agrees to perform any further acts and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

- 53. **Publicity** Neither party shall use or mention in any publicity, advertising, promotional materials or news release the name or service mark(s) of the other party without the prior written consent of that party.
- 54. **Notices** All communications by either party to this Agreement, shall be in writing, be delivered in person, or shall be sent to the respective parties at the following addresses:

Arizona Department of Homeland Security  
1802 West Jackson Street, #117  
Phoenix, AZ 85007

Subrecipient must address all notices relative to this Agreement to the appropriate AZDOHS staff; contact information is at [www.azdohs.gov](http://www.azdohs.gov).

AZDOHS shall address all notices relative to this Agreement to:

\_\_\_\_\_  
Enter Title, First and Last Name Above

\_\_\_\_\_  
Enter Agency Name Above

\_\_\_\_\_  
Enter Mailing Address Above

\_\_\_\_\_  
Enter City, State, ZIP Above

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**IN WITNESS WHEREOF**, the parties hereto agree to execute this Agreement.

**FOR AND BEHALF OF THE**

**FOR AND BEHALF OF THE**

\_\_\_\_\_  
Enter Agency Name Above

Arizona Department of Homeland Security

\_\_\_\_\_  
Authorized Signature Above

\_\_\_\_\_  
Susan Dzbanko, Deputy Director

\_\_\_\_\_  
Print Name and Title Above

\_\_\_\_\_  
Enter Date Above

\_\_\_\_\_  
Date

*(Complete and mail two original documents to the Arizona Department of Homeland Security.)*