

**GRANT AGREEMENT  
NO. GR-ARPA-102022-50**

**Between the**

**STATE OF ARIZONA,  
THE OFFICE OF THE GOVERNOR**

**And the**

**City of Douglas**

WHEREAS, A.R.S. § 41-101.01 authorizes the Office of the Governor to execute and administer contracts and is charged with the responsibility of administering the Coronavirus State and Local Fiscal Recovery Funds allocated to the State of Arizona. The Catalog of Federal Domestic Assistance (CFDA)/Assistance Listing for all activity pursuant to this agreement is 21.027.

WHEREAS, this agreement is entered into under the authority of A.R.S. §41-2702-2703 and the solicitation waiver issued October 20, 2022 by the Arizona Department of Administration, which authorizes grant agreements.

THEREFORE, it is agreed that the Arizona Office of the Governor (“GVA”) shall provide funding to the City of Douglas (“Grantee”) with SAM.gov Unique Entity Identifier (UEI) of KFGNFMWR35A6 for services under the terms of this Grant Agreement (“Agreement”).

**I. PURPOSE OF AGREEMENT**

The purpose of this Agreement is to authorize use and provide funds from the American Rescue Plan Act (“ARPA”), specifically the Coronavirus State and Local Fiscal Recovery Fund, to Grantee to support COVID-19 related activities in accordance with allowable State and Local Fiscal Recovery Fund Expenditure Categories as outlined in the most current published Guidance (Appendix 1: Expenditure Categories, Treasury’s Compliance and Reporting Guidance, State and Local Fiscal Recovery Fund) found at <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

Under this Agreement, Grantee’s services must be provided in compliance with the rules of the ARPA. The most current published rules (Treasury’s Coronavirus SLFRF Final Rule) can be found at: <https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>

**II. TERM OF AGREEMENT, TERMINATION AND AMENDMENTS**

This Agreement shall be effective January 1, 2022 and shall terminate on September 30, 2024, contingent upon funding. The specific project/program term will be established as part of the pre-project approval steps as outlined in Section III, and may result in a timeframe shorter than the is reflected in the effective date and terminate dates.

Either party may terminate this Agreement at any earlier time by providing written notice to the other party at least thirty (30) days prior to the termination date. The Arizona Office of the Governor agrees that regardless of its termination date with Grantee, Grantee may use the funds distributed under this Agreement to pay for any unpaid services pursuant to this Agreement obligated prior to the date of termination. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein.

Amendments to this Agreement shall be made in writing and signed by both parties.

### **III. DESCRIPTION OF SERVICES**

Grantee shall utilize funding to mitigate the impacts of the COVID-19 pandemic for projects and programs as approved by the Arizona Office of the Governor and will work with the Office of Strategic Planning and Budgeting (“OSPB”) to complete the following project eligibility and approval steps within 30 days of agreement execution:

- A. Prior to initiating any project and incurring any expenditures, the Grantee shall complete the following pre-project requirements:
  - a. Grantee shall provide and submit for approval Attachment A – ARPA Funds Project Proposal, utilizing the template provided by OSPB. The proposal will include the project/program term, goals, deliverables and reporting metrics based on project eligibility reviews with OSPB.
  - b. Grantee shall complete and submit for approval Attachment B - Financial Systems Survey and Attachment C - Standard Data Collection Form, utilizing the templates provided by OSPB.
  - c. Based upon project eligibility reviews with OSPB, Grantee shall submit for approval a line item budget in the e-Civis online grants management tool.
- B. Upon OSPB written approval of the items listed in A. above, Grantee shall conduct project/program activities in accordance with *Attachment A – ARPA Funds Project Proposal* and the approved line-item budget in e-Civis.
- C. Grantee shall maintain a tracking of total expenditures and report to OSPB on metrics as established in the pre-project requirements.

### **IV. MANNER OF FINANCING**

The Arizona Office of the Governor shall:

- A. Confirm eligibility of the Grantee’s project/program in accordance with the most current published rules (Treasury’s Coronavirus SLFRF Final Rule) and establish metrics to be reported throughout the project/program term. Provide to Grantee a total award amount of up to \$8,900,000.00 for the approved Attachment A – ARPA funds Project Proposal and associated line-item budget outlined in Section III.
- B. Funding pursuant to this agreement shall not be available for use until the Grantee has completed all items outlined in Section III. A. above (an ARPA Funds Project Proposal, Financial Systems Survey, Standard Data Collection Form, and a Line Item Budget); and the Office of the Governor has approved all documents in writing.
- C. Transfer funding to Grantee upon receipt of valid request for reimbursement, which includes detailed supporting documentation, of incurred costs as the project is executed. Any unused funding pursuant to this agreement at the termination date shall be transferred back to the Office of the Governor and the remaining balance of the award de-obligated.
- D. The CFDA/Assistance Listing is 21.027 for all activity associated with this agreement. As part of receiving these funds, all revenue received must remain in a singular dedicated fund and all expenditures made must be directly from the same.
- E. Questions regarding the appropriate use of the funds shall be resolved by mutual written agreement between Grantee and OSPB.

Grantee shall:

- A. Submit requests for reimbursement for actual expenses incurred by the program. Grantee shall submit these requests for reimbursement at a minimum of quarterly but not more frequently than once per month.
- B. Assure that any expenses reimbursed under this Agreement have not been or will not be reimbursed under any other federal program funding source.

**V. REPORTING REQUIREMENTS**

Grantee shall submit quarterly programmatic reports to the Office of the Governor through eCIVIS for all activities performed and expenditures incurred under this Agreement as approved according to Section III above. The report deadlines are the 15<sup>th</sup> of the month following each Fiscal Quarter, e.g. July 1 – September 30, 2022 report period is due October 15, 2022.

**VI. APPLICABLE LAW**

In accordance with A.R.S. § 41-2501, *et seq.*, and Arizona Administrative Code R2-7-101, *et seq.*, this Agreement shall be governed and interpreted by the laws of the State of Arizona and the Arizona Procurement Code.

**VII. NON-AVAILABILITY OF FUNDS**

In accordance with A.R.S. § 35-154, every payment obligation of the Arizona Office of the Governor under the Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the Arizona Office of the Governor at the end of the period for which funds are available. No liability shall accrue to the Arizona Office of the Governor in the event this provision is exercised, and the Arizona Office of the Governor shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

**VIII. APPLICABILITY OF PART 200 UNIFORM REQUIREMENTS**

Grantee agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F. R. Part 200.

**IX. DOCUMENTS INCORPORATED BY REFERENCE**

The State of Arizona’s Uniform Terms and Conditions V9\_ (Rev 7-1-2013) are incorporated into this document as if fully set forth herein. Copies of the Uniform Terms and Conditions may be accessed at [https://spo.az.gov/sites/default/files/documents/files/Uniform%20Terms%20and%20Conditions%20V9\\_%28Rev%207-1-2013%29.pdf](https://spo.az.gov/sites/default/files/documents/files/Uniform%20Terms%20and%20Conditions%20V9_%28Rev%207-1-2013%29.pdf). The Grantee warrants that it has read and understands the Uniform Terms and Conditions V9\_ (Rev 7-1-2013) and agrees to be bound to those applicable provisions in their entirety. In the event of any divergence between this Agreement and the Uniform Terms and Conditions, this Agreement shall control.

**X. AUDIT**

In accordance with A.R.S. § 35-214, Grantee shall retain and shall contractually require each contractor and subcontractor to retain all data, books and other records (“records”) relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the Arizona Office of the Governor at reasonable times. Upon request, Grantee shall produce the original of any or all such records.

**XI. CONFLICT OF INTEREST**

In accordance with A.R.S. § 38-511, the Arizona Office of the Governor may within three years after execution cancel the Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the Arizona Office of the Governor, at any time while the Agreement is in effect, becomes an employee or agent or any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the matter of the Agreement.

**XII. LIABILITY**

**A. INDEMNIFICATION CLAUSE**

To the fullest extent permitted by law, Grantee shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as “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 Grantee or any of its owners, officers, directors, agents, employees or subcontractors. 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 Grantee 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 Grantee from and against any and all claims. It is agreed that Grantee will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Grantee agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Grantee for the State of Arizona.

This indemnity shall not apply if the Grantee or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

**B. INSURANCE REQUIREMENTS**

1. Grantee and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Grantee, its agents, representatives, employees or subcontractors.
2. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Grantee from liabilities that arise out of the performance of the work under this Contract by the Grantee, its agents, representatives, employees or subcontractors, and the Grantee is free to purchase additional insurance.

**C. MINIMUM SCOPE AND LIMITS OF INSURANCE**

Grantee shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$50,000
• Each Occurrence	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Grantee.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Grantee.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or nonowned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000
- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Grantee involving automobiles owned, hired and/or non-owned by the Grantee.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Grantee.

3. Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
  - Each Accident \$1,000,000
  - Disease – Each Employee \$1,000,000
  - Disease – Policy Limit \$1,000,000
- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Grantee.
- b. This requirement shall not apply to each Grantee or subcontractor that is exempt under A.R.S. § 23-901, and when such Grantee or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

4. Professional Liability (Errors and Omissions Liability)

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000
- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will

- be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. Policy shall cover professional misconduct or wrongful acts for those positions defined in the Scope of Work of this contract.

**D. ADDITIONAL INSURANCE REQUIREMENTS**

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1. The Grantee's policies, as applicable, shall stipulate that the insurance afforded the Grantee shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
2. Insurance provided by the Grantee shall not limit the Grantee's liability assumed under the indemnification provisions of this Contract.

**E. NOTICE OF CANCELLATION**

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Grantee's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Grantee must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

**F. ACCEPTABILITY OF INSURERS**

Grantee's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantee from potential insurer insolvency.

**G. VERIFICATION OF COVERAGE**

Grantee shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Grantee has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1. All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
2. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
3. All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

## **H. SUBCONTRACTORS**

Grantee's certificate(s) shall include all subcontractors as insureds under its policies or Grantee shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Grantee that its subcontractors have the required coverage.

## **I. APPROVAL AND MODIFICATIONS**

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

## **J. EXCEPTIONS**

In the event the Grantee or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Grantee or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

## **XIII. FUND MANAGEMENT**

The Grantee must maintain funds received under this Agreement in separate ledger accounts and cannot mix these funds with other sources. The Grantee must manage funds according to applicable federal regulations for administrative requirements, cost principles and audits.

The Grantee must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

A system is adequate if it is: 1) written; 2) consistently followed - it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds. The Grantor reserves the right to review all business systems policies.

## **XIV. UEI**

Each successful recipient who is awarded \$25,000 or more must provide the following prior to an Agreement being executed: (a) Unique Entity Identifier (UEI) number for the fiscal agent; and (b) proof of current registration in the SAM.gov (SAM) website. SAM registration must be maintained for the term of the Agreement. SAM registration information may be found at <https://sam.gov/content/home>.

## **XV. FFATA REPORTING REQUIREMENTS**

In compliance with the Federal Funding Accountability and Transparency Act of 2006 Reporting Requirements, Pub. L. No. 109-282, 120 Stat. 1186, as amended by Section 6202 (a) of Pub. L. No. 110-252, the Grantee is required to provide information. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) to be made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov).

**XVI. OTHER**

It is agreed that the Parties to this Agreement have participated fully in the negotiation and preparation of the Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The Parties acknowledge they have been advised by counsel, or have had the opportunity to be advised by counsel, in the negotiation and execution of the Agreement.

**XVII. NOTICES**

Grantee shall address all notices relative to this Agreement to the Arizona Office of the Governor to:

Nick Capozzi  
Grants Management Analyst  
Governor's Office of Strategic Planning and Budgeting  
1700 West Washington Street, Suite 600  
Phoenix, Arizona 85007  
ncapozzi@az.gov

The Arizona Office of the Governor shall address all notices relative to this Agreement to Grantee:

For Programmatic and Fiscal Matters

Mr. Luis Pedroza  
Deputy City Manager and City Treasurer  
425 E. 10<sup>th</sup> Street  
Douglas, AZ 85607  
[Luis.pedroza@douglasaz.gov](mailto:Luis.pedroza@douglasaz.gov)

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

**CITY OF DOUGLAS**

**THE ARIZONA OFFICE OF THE GOVERNOR**



[Ana Urquijo \(Nov 8, 2022 15:40 MST\)](#)

Ms. Ana Urquijo  
City Manager



Matt Gress  
Director  
Governor's Office of Strategic Planning & Budgeting



[John McCleve \(Nov 9, 2022 12:30 MST\)](#)

John McCleve  
Chief Financial Officer