

RECLAMATION

Managing Water in the West

REQUEST FOR PROPOSALS

06-SF-40-2459

Colorado River Basin

Salinity Control Program

Bureau of Reclamation
Upper Colorado Region

December 2005

Application for Federal Assistance

The following forms can be found at the site listed below and must be returned with the proposal

[SF-424](#), Application for Federal Assistance

[Obtaining a DUNS Number, A Guide for Federal Grant and Cooperative Agreement Applicants](#)

[SF-424C](#), Budget Information - Construction Programs

[SF-424D](#), Assurances - Construction Programs

www.whitehouse.gov/omb/grants/grants_forms.html

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SECTION A - DESCRIPTION OF SERVICES

A.1 PURPOSE AND DESCRIPTION OF SERVICES

The Bureau of Reclamation, Upper Colorado Region, (Reclamation) is requesting proposals for reducing salinity contributions to the Colorado River. Preference will be given to proposals for projects that are located in the Colorado River Basin above Hoover Dam and control over 1,000 tons per year of salt loading. Projects will generally be awarded with funding between \$1 million to \$3 million per year, based on the priorities of date of award and cost effectiveness. Project completion shall be commensurate with the tasks being proposed; however, it is anticipated that projects should be completed within three years. Such proposals may consist of measures to reduce salinity contributions originating from saline springs, leaking wells, irrigation sources, municipal and industrial sources, erosion of public and private land, or other sources. All salinity projects are required to replace incidental wildlife habitat losses concurrent with construction of salinity features.

The offeror will only be reimbursed up to the bid cost effectiveness and payment schedule. Savings in one part of the project may be used to offset additional costs for other parts of the project up to the agreement limit. Proposals will be evaluated and selected through the competitive, negotiated process herein described.

A.2 PROGRAM OBJECTIVES

Total annual salt loading to the Colorado River is approximately 9 million tons per year. About one half of the present salt load can be attributed to natural sources such as erosion of lands and saline springs. The remainder of the salt load is human-induced, originating from irrigation practices and municipal and industrial sources. Damages resulting from this salt loading and the concentrating effects due to the consumptive use of water are estimated to be approximately \$300 million annually. These impacts accrue mainly to municipal, industrial, and agricultural water users in the Lower Basin of the Colorado River.

The objective of the salinity control program is to minimize the salt loading in the Colorado River Basin. In June 1974, Congress enacted the Colorado River Basin Salinity Control Act, Public Law 93-320, which directed the Secretary of the Interior to proceed with a program to enhance and protect the quality of water available in the Colorado River for use in the United States and Republic of Mexico. In 1975 the Environmental Protection Agency approved water quality standards developed by the seven basin states in response to the Federal Water Pollution Control Act. The standards included numeric criteria for three stations on the mainstem of the lower Colorado River - below Hoover Dam, below Parker Dam, and at Imperial Dam - and a Plan of Implementation to control salinity increases.

Previously authorized portions of the program are nearing completion and Reclamation is approaching the indexed 1974 appropriation ceiling of \$301 million. In response to this need, Congress has authorized the expenditure of an additional \$250 million (including Basin States cost sharing) for salinity control projects in the Colorado River Basin. Public Law 104-20 of July 28, 1995, authorizes the Secretary of the Interior, acting through the Bureau of Reclamation, to implement a basinwide salinity control program. The Secretary may carry out the purposes of this legislation directly, or make grants, enter into contracts, memoranda of agreement, commitments for grants, cooperative agreements, or advances of funds to non-federal entities under such terms and conditions as the Secretary may require. Throughout the remainder of this document the generic term "agreement" is used to describe the agreement mechanism. The appropriate agreement mechanism will be determined on a case-by-case basis (i.e., grant or cooperative agreement).

A.3 OVERVIEW OF REQUEST FOR PROPOSALS (RFP) PROCESS

Reclamation has published a notice at www.Grants.gov and other sources to solicit interest in participating in the program. Interested parties can download the RFP from the Internet at www.usbr.gov/uc/progact/salinity. Proposals will be evaluated and ranked under the criteria set forth in Section C by the ranking committee, which will be composed of representatives of the Colorado River Basin States and Reclamation. The Grant and Cooperative Agreement Officer (GCAO) will then determine which proposals are within the competitive range based on the results of the initial evaluation and ranking. The GCAO may choose to award agreements without discussions at this point. If the GCAO chooses to proceed with discussions, the offerors whose proposals are found to be in the competitive range will be notified and given an opportunity to improve the responsiveness of their proposals through a negotiation process. Offerors will then submit their best and final offers for final evaluation by the ranking committee. Reclamation will proceed to award agreements from among the highest ranked alternatives available to Reclamation.

A.4 NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE

All awarded agreements will require compliance with the National Environmental Policy Act (NEPA), and with the Council on Environmental Quality and Department of Interior regulations implementing NEPA, before construction may begin. Compliance with all applicable state, Federal and local environmental and cultural and paleontological resource protection laws and regulations is also required. These may include, but are not limited to, the Clean Water Act, the Endangered Species Act, consultation with potentially affected tribes, and consultation with the State Historic Preservation Office.

Environmental compliance costs will be considered in the ranking of proposals, and depending upon the terms of the proposal and subsequent agreement between Reclamation and the project proponent(s), environmental compliance costs may be cost-shared by Reclamation.

Reclamation is the lead Federal agency for NEPA compliance. Reclamation will be responsible for evaluating technical information and ensuring that environmental, cultural, and socioeconomic concerns are addressed. As the lead agency, Reclamation is solely responsible for determining, in compliance with the applicable NEPA regulations cited above, the appropriate level of NEPA compliance which could be a categorical exclusion checklist, environmental assessment, or environmental impact statement. Findings of NEPA compliance must be acceptable to Reclamation in order for the project to be initiated.

A.5 RECLAMATION ASSISTANCE

Any assistance Reclamation may provide to offerors, when it is in the best interest of the Government, will primarily involve extracting information from salinity reports completed by Reclamation.

Further, Reclamation assistance may be provided to the project sponsor in implementing the project when requested to do so and it is in the best interest of the Government. The cost of this assistance shall be considered a project cost and will be considered when ranking proposals.

Reclamation may, at its own discretion, provide direct assistance to the project sponsor when the proposed project has other associated indirect benefits of Federal interest (i.e., other water quality or environmental benefits). The cost of this assistance will not be considered a project cost.

SECTION B - REQUIREMENTS, INSTRUCTIONS, AND CONDITIONS TO OFFERORS

B.1 PROPOSAL PREPARATION AND SUBMISSION

Proposal Content - The proposal should include a section on each of the following topics:

(a) Title Page. Provide a brief, informative, and descriptive title for the proposed work. Include name and address of organization, and name, address, E-mail address, telephone and facsimile numbers of the project manager.

(b) Table of Contents. List all major sections of the technical proposal in a Table of Contents.

(c) Executive Summary. Discuss briefly how the required work will be performed and what are the highlights of the proposal.

(d) Background Data - Include location (state, county, and direction from nearest town) and other appropriate information. For irrigation improvement projects this would include: project diversions, major crops, total acres served, miles of canals, miles of laterals, existing irrigation improvements (types, miles, acres), canal and lateral seepage losses, on-farm efficiency.

(e) Salinity Control Methods - Describe the proposed method to accomplish salt load reduction and expected life of the project. For irrigation improvement projects, project maps will trace the ditches to be abandoned or replaced. A few photographs of the existing project area (canals and laterals) would also be helpful.

(f) Annual Salt Load (tons) Reduction – In calculating the annual salt load reduction for irrigation improvement projects use the procedure(s) below that applies to the proposed project area. Provide documentation, references, and sources used in developing the annual salt load reduction estimates. The estimated annual salt load reductions must be reasonable and proportional within the total irrigation-induced salt load from the respective basins or areas.

In calculating the annual salt load reduction for other types of salinity control projects provide documentation, references, and sources used in developing the annual salt load reduction estimates.

Off-farm facilities (delivery systems including canals, laterals, and ditches that deliver to more than one ownership)

Uncompahgre Project area, McElmo Creek, and Grand Valley areas - Offerors are to contact Reclamation's Western Colorado Area Office (Grand Junction or Durango) at least 30 days before the RFP closure date to obtain annual salt tonnage reduction figures for the canals and/or laterals they are proposing to treat.

Price River Basin - Offerors are to use the following procedure: The acre-feet of seepage to be controlled by salinity control features are multiplied by the per acre-foot salt loading factor of 5.0156 tons.

San Rafael River Basin - Offerors are to use the following procedure: The acre-feet of seepage to be controlled by salinity control features are multiplied by the per acre-foot salt loading factor of 3.6506 tons.

Uinta Basin and other basins not identified above - Offerors are to use the following procedure for calculating the tons of salt control for off-farm canals and canal laterals.

1. Calculate Canal Seepage Loss utilizing traditional engineering methods incorporating canal wetted perimeter, canal length, and soil permeability. (These calculations will be compared to Reclamation documented seepage estimates for those areas covered by Reclamation documentation.)
2. Divide the above calculated Canal Seepage Loss by two to calculate the anticipated Canal Seepage Return Flow. (This is to account for phreatophyte consumptive use and other losses prior to Canal Seepage Loss return to the river system.)
3. Multiply the resulting Canal Seepage Return Flow by the Natural Resources Conservation Service (NRCS) documented return-flow Salt Loading Value (tons/acre-foot) for the appropriate sub-basin.
4. The resulting value is the anticipated annual salt load reduction in tons associated with replacing an open canal with a pressure pipeline.
5. Reclamation will certify that the calculated value is reasonable and proportional within the overall irrigation-induced salt loading in the basin.

On-farm facilities - Offerors are to contact their local NRCS office for assistance in calculating the on-farm tons of salt control.

Joint Projects – Combining Off-farm and On-farm facilities: Offerors can submit proposals that combine off-farm and on-farm facilities' costs and annual salt load reductions, provided that the off-farm facilities will deliver water to the on-farm facilities.

If offerors choose to use a procedure other than those outlined above for irrigation improvement projects they are to provide **detailed** documentation or references used in developing the salt load reduction estimates including loading rates, seepage, and efficiency information.

Offerors are not to include salinity control benefits from existing improvements.

(g) Budget Proposal – Shall be developed to a sufficient level of detail to provide for an objective evaluation of the proposal, including:

1. Wildlife habitat replacement costs per Section B.10
2. Total Cost – Indicate total amount of proposal and what the total Reclamation grant would be to the offeror

Time, if stated as a number of days in the proposals, will include Saturdays, Sundays, and holidays.

(h) Risk Analysis - Include a detailed overview of the proposed salinity control project addressing the performance risk evaluation criteria as listed in Section C.3.

Proposal Length and Format

(a) Limited to **thirty-five (35)** 8 ½ inch X 11 inch pages, excluding any required forms stated in these instructions, **double-spaced** on one side of the page.

(b) The font used shall be easily readable and shall be between 10 and 12 points, or a maximum average of no more than 15 characters per inch.

- (c) All pages in each individual volume shall be consecutively numbered, including pages with tables and exhibits. Pages that include tables, figures, or pictures will constitute a numbered page.
- (d) Reference materials, supporting materials, and documentation are to be clearly identified by attachment number and appended to the back of the proposal.
- (e) Print or type its name on each page of each technical proposal and cost proposal
- (f) Initial erasures or other changes by the person signing the offer.
- (g) Sign the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority.
- (h) Designate a person who will be in charge of the agreement administration and provide name, title, address, telephone, and faxogram number of designee.

Proposal Submittal

- (a) Submit an original hard copy and 2 additional copies.
- (b) **Proposal must be received at the address below before 3:00 p.m. MST, March 24, 2006.**
- (c) Submit in sealed envelopes or packages and clearly labeled "Salinity Control Program Proposal."
- (d) Address to:

Ms. Lila Duffin
Bureau of Reclamation
Attention: UC-825
125 South State Street, Room 6426
Salt Lake City UT 84138-1147

B.2 UNNECESSARILY ELABORATE PROPOSALS OR QUOTATIONS

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this solicitation are not desired and may be construed as an indication of the offeror's lack of cost consciousness. Elaborate art work, expensive paper and bindings, expensive visual and other presentation aids are neither necessary nor wanted.

B.3 AMENDMENTS TO RFP

- (a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.
- (b) Offerors shall acknowledge receipt of any amendment to this solicitation by identifying the amendment number and date in the proposal submitted.

B.4 LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF PROPOSALS

- (a) Any proposal received at the office designated in the solicitation after the exact time specified for receipt will **not** be considered unless it is received before award is made and it-
- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
 - (2) Was sent by mail and it is determined by Reclamation that the late receipt was due solely to mishandling by the Government after receipt at the Government installation; or
- (b) Any modification of a proposal or quotation, except a modification resulting from the GCAO's request for "best and final" offer, is subject to the same conditions as in subparagraphs (a)(1) and (2) above.
- (c) A modification resulting from the GCAO's request for "best and final" offer received after the time and date specified in the request is subject to the same conditions as in subparagraphs (a)(1) and (2) above.
- (d) The only acceptable evidence to establish the date of mailing of a late proposal or modification sent either by registered or certified mail is the postmark on the wrapper or on the original receipt. If neither postmark shows a legible date, the proposal, quotation, or modification shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. Postal Service on the date of mailing. Therefore, offerors should request the postal clerks to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.
- (e) The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the proposal wrapper or other documentary evidence of receipt maintained by the installation.
- (f) The proposal is not binding until both parties sign the final agreement. Proposals may be withdrawn by written notice received at any time before the agreement is signed.

B.5 RESTRICTION ON DISCLOSURE AND USE OF DATA

Offerors who include in their proposal or quotations data that they do not want disclosed to the public--

- (a) Mark the title page with the following legend:

"This proposal or quotation includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed--in whole or in part--for any purpose other than to evaluate this proposal or quotation. If, however, an agreement is awarded to this offeror as a result of--or in connection with--the submission of this data, the Government shall have the right to duplicate, use or disclose the data to the extent provided in the resulting agreement. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets]"; and

- (b) Mark each sheet of data it wishes to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

B.6 EXPLANATION OR INTERPRETATION OF SOLICITATION

Any prospective offeror desiring an explanation or interpretation of the solicitation must request it in writing by February 8, 2006, to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the agreement will not be binding. Any information given to a prospective offeror concerning the solicitation will be furnished promptly to all other prospective offerors as an amendment to the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

B.7 AWARDS

- (a) Reclamation will attempt to negotiate agreements to implement projects resulting from this solicitation to the responsible offerors whose offers, conforming to the solicitation, will be most advantageous, cost or price and other factors, specified elsewhere in this solicitation, considered.
- (b) Reclamation may (1) reject any or all offers if such action is in the public interest, (2) accept other than the lowest offer, and (3) waive informalities and minor irregularities in offers received.
- (c) Reclamation may award an agreement on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.
- (d) The 1984 amendments to the Salinity Control Act authorized the USDA and BLM to participate in the salinity control program. Although integrated with Reclamation's work, both of these agencies have their own authorities to implement their respective programs. Although any proposal may be evaluated under Reclamation's ranking procedures, some proposals *may not* be awarded by Reclamation if they fall within the bounds of some other agency's authorities. For example, the USDA Salinity Control Program is responsible for onfarm irrigation improvements and rangeland improvements on private lands. BLM is responsible for the rangeland management program on BLM lands. EPA and the Basin States administer a pollution discharge permitting program that sets point source discharge standards for salinity and provides financial assistance for publicly owned treatment works.

B.8 RETENTION/DISPOSITION OF MATERIALS

Proposals submitted in response to this RFP will not be returned but will be retained by the Government for official record purposes. Proposal material supplied to the offeror by Reclamation (including attachments and specifications) need not be returned to the procuring office but may be disposed of at the discretion of the offeror unless otherwise specifically directed.

B.9 FAILURE TO SUBMIT OFFER

Recipients of this solicitation not responding with an offer should not return this solicitation. Instead, they should advise the issuing office by letter or postcard if they want to receive future solicitations for similar requirements. If a recipient does not submit an offer and does not notify the issuing office that future solicitations are desired, the recipient's name may be removed from the applicable mailing list.

B.10 WILDLIFE HABITAT REPLACEMENT

The Salinity Control Act, Section 202(a)(6), provides for the replacement of incidental fish and wildlife values that are lost as a result of measures and associated works to reduce salinity. For irrigation improvement projects, a standard protocol for habitat evaluation is available upon request from Reclamation.

The following are minimum requirements for habitat replacement for salinity control projects:

- There is no net loss of habitat function. This is to say that acreage amounts need not be the same, but that there is no net loss in total value to wildlife.
- A guarantee or reasonable assurance must be provided that the replacement habitat features will survive and function (e.g., with an assured water supply) for the life of the project.
- Long-term active management must be included to assure that exotic plant species will not reduce the function of the site as wildlife habitat.
- Habitat replacement should be implemented in advance of project (pipeline) construction or otherwise, must occur concurrently.
- The estimated cost of the habitat replacement will be included in the cost effectiveness computation and included as a cost risk factor. Unless there is justification for a different value, Reclamation will assume that wildlife habitat replacement will cost 10% above the project construction and consider this in the ranking process.

B.11 FUNDING SUBJECT TO APPROPRIATION

Funding for the program is subject to annual appropriations from Congress. The program is designed to run at about \$15-million per year, however, the actual funding level may be different. There are numerous ongoing projects within the program, and funding for new projects may not be available until fiscal year 2007.

B.12 ADDITIONAL REQUIREMENTS FOR LONG-TERM O&M

In the case of projects that do not require reimbursement of annual operation and maintenance expenses, no further review or approval by Congress is required beyond the normal, annual appropriation of funds. In the case of projects which require a major, long-term commitment of resources to reimburse annual operation and maintenance expenses, Reclamation will require that a planning/NEPA compliance report be sent to Congress before committing to project funding or authorizing the project sponsor to proceed.

SECTION C - EVALUATION CRITERIA

C.1 GENERAL

In 1984, the Salinity Control Act was amended to direct the Secretary to give preference to units which reduce salinity at the least cost per unit of salinity reduction (or cost-effectiveness). Cost-effectiveness is defined as the Salinity Program's annual cost per ton of salt prevented from entering the Colorado River system. Conceptually, cost-effectiveness is analogous to determining the cost per mile to own and operate a car. That computation combines the annual expenses (loan payments, gas, maintenance, etc.) and divides by the miles traveled each year. The key to understanding this approach is to appreciate that the government evaluates all projects as if the money is borrowed from a loan institution and repaid in annual installments over the life of the project. This economic evaluation principle is required by the "Economic and Environmental Principles Guidelines for Water and Related Land Resources Implementation Studies," March 1983. This method lends consistency in the comparison of non-federally financed alternatives (which must borrow funds) to Federally financed projects.

Each proposal will be evaluated by a technical review panel in accordance with the following criteria and corresponding percentage weights:

- (a) Technical merit – those passing will be evaluated further
- (b) Cost effectiveness – 70% The annual cost for each ton of salt load reduction, expressed in dollars per ton.
- (c) Performance risk – 30% Performance risk will evaluate the cost and effectiveness risks of the proposal.

C.2 COST EFFECTIVENESS

Cost-effectiveness is Reclamation's primary criteria for ranking its implementation priorities. Cost effectiveness may be computed by the sponsor using the method described below or will be computed by the evaluation team.

Cost Effectiveness - is computed in three steps:

- (a) Amortize the Salinity Control Program costs at the rate **5.125 percent** over the useful life of the project. Do include an estimate of USDA Salinity Program costs for joint BOR/USDA projects where USDA benefits (tons) are included below.
- (b) Divide the amortized capital costs by the annual number of tons of salt load reduction; thereby determining the cost per ton. Do not include any past salinity control benefits which have already been implemented. The proposal may claim joint salinity benefits from integrated USDA/Reclamations plans, but must also include the joint costs.

Each proposal shall be developed to a sufficient level of detail to perform an independent evaluation of the proposal's cost effectiveness. The proposal should reference Reclamation planning reports or provide a detailed analysis of methods used to evaluate the project's effectiveness (salinity reduction claims).

Example Computation:

The proposal will request \$3 million to fund 6,000 tons per year of controls for 50 years at a 5.125 percent interest rate. The \$3 million cost amortizes to \$167,514 per year over the 50 year life of the project. The cost effectiveness is \$167,514 per year /6,000 tons per year or \$29.92 per ton.

C.3 PERFORMANCE RISK

The Salinity Control Act directs that cost effectiveness be prime criteria for ranking and selecting projects. However, it is rare that the actual performance of a project can be estimated precisely. Some methods of salinity control are more variable than others in their implementation. Under certain circumstances, accepting some risk may reduce the Program's costs. The ranking needs to consider that the most cost-effective proposals often have a degree of performance risk and whether this risk is acceptable.

Performance risk evaluation will be used to adjust the ranking of proposals to consider the reliability of the cost and salt load reduction estimates used in the cost-effectiveness computations. Reclamation will adjust the ranking to consider a variety of performance risk factors. These will include the uncertainty in both program costs and tonnage reductions. The evaluation will include:

- ! **Investment Security** - Upfront funding or high initial payments for projects may add to the Program's exposure to cost overruns, failures, and defaults. Proposals where the Program pays as salt is produced or as facilities are completed, inspected, and placed into operation reduce this risk.
- ! **Plan Detail** - The lack of detailed plans, surveys, cost estimates, adequate contingencies, environmental compliance documents, mitigation plans, and water rights would add risk.
- ! **Cost Escalation** - In the case of privately financed projects which are reimbursed annually, broad based inflation adjustments may add a small degree of risk. Highly volatile indexes may add a higher degree of risk. Cost controls are important to Reclamation.
- ! **Procedures Used to Predict Salt Load Reduction** - For example, industrial use or desalting of a known quantity and concentration of brine would normally have few risks associated with this category of performance risk, as long as the waste stream was handled correctly. Irrigation projects and other non-point source projects, where the regional salt loading is directly measured, computer modeled, and allocated to each of the different sources, will have somewhat more risk in this category depending upon the accuracy of the regional salt loading measurement. Projects which rely on only one measurement (like soil salinity) which are not corroborated through other independent methods or measurements would have the highest risk.
- ! **Project Life** - The project life is used in the amortization of the project's capital costs and cost effectiveness computation. Overly optimistic estimates of project life bias the cost effectiveness computation. The life expectancy of new technologies is generally less reliable than older, "time-tested" technologies. Also some technologies tend to have more risk than others. Deep well injection has a relatively high risk due to the uncertainties involved in estimating the well's receiving capacity and life. Pipelines tend to be more reliable than open ditches which are exposed to the local weather.
- ! **Operation and Maintenance (O&M)** - Some proposals may be more or less susceptible to poor O&M practices. To minimize this risk factor, sponsors may propose "robust" solutions

that require relatively little maintenance. For example, buried irrigation laterals require little attention, while open concrete ditches are more prone to weathering and require annual maintenance to remain fully effective.

The ranking team will consider the risk that the Program's capital investments may be lost from poor maintenance. In the past, Reclamation has provided supplemental, annual O&M funding to maintain certain projects. Reclamation has found this difficult to fund and administer. If essential to the continued performance of the project, the Program may consider (or may require) funding an O&M trust to cost share the maintenance of capital improvements and safeguard the Program's investment. If funded by the Program, this cost would be included in the proposal's cost effectiveness computation.

- ! **Management** - Generally, projects which rely on a high degree of management to maintain their efficiency will be downgraded unless there is reason to believe it is sustainable. Highly automated systems that are simple to operate will reduce this risk. For example, automatic sprinkler shutoffs would improve management risk.
- ! **Measurable or Verifiable Results** - Projects for which the salt load reduction can be independently verified add a degree of certainty to the proposal. For example, interception of saline springs is a highly verifiable method (both water volume and concentration can be directly measured). Irrigation delivery system improvements are somewhat more difficult to measure, but shallow monitoring wells next to the lined canal can confirm the absence of seepage and rainwater can be used to measure concentration. Onfarm deep percolation reductions may vary significantly from farm to farm and year to year. Statistical sampling may be required.
- ! **Other Factors** - any factors which might reduce the expected performance and degrade the actual (realized) cost effectiveness of the project.

Although the details of each proposal will be evaluated for performance risk, the following practices would typically rank from lowest risk to highest risk:

- ! Industrial processes which interrupt brine source, treat the brine, produce a measured (weighed) product, and bill the Program. Payments are made annually as salt is produced (or controlled). Measurement of salt is very accurate and only influenced by moisture content, scale accuracy, or laboratory analysis errors. If the Program only pays for salt as it is produced and weighed, there is no risk from poor maintenance or management.
- ! Physical improvements like canal and lateral piping are generally considered more effective than lining as it does not require annual maintenance to remain water tight. It generally has a longer life and is less affected by weather.
- ! Physical improvements like canal and lateral lining has proven to be effective at eliminating seepage, particularly in the Grand Valley Unit. However, cleaning of lined canals can cause punctures and freeze - thaw processes can cause damage to concrete linings.
- ! Automated water delivery systems and automated irrigation systems are less prone to "management" risk. However, these types of improvements are subject to uncertainty in the actual management of the system and technology that may not be widely accepted and tested.

- ! Irrigation management. These types of improvements are highly sensitive to the degree of irrigation management and are much less reliable than automated improvements. These practices are easily abandoned and require continued technical assistance to sustain in the field. Irrigation management can be effective if its initial costs are low and the technical assistance is provided through the project's life to sustain its benefits.

C.4 NEGOTIATION

If discussions are necessary, the GCAO will enter into such discussions with those offerors whose response to this RFP falls within the competitive range. The competitive range will be established by the GCAO after the initial evaluation of the proposals. Following negotiations, proposals will be reevaluated, scored and ranked according to the criteria contained in Sections C.2 and C.3 above.

C.5 NOTICE OF POSSIBILITY OF AWARD WITHOUT DISCUSSION

Offerors are cautioned to review carefully all terms, conditions, and specifications of the solicitation prior to submission of proposals. Reclamation may accept the most favorable initial proposal(s) without discussions. Offerors are cautioned that each proposal should be prepared based on the most favorable technical terms which can be submitted.

SECTION D - GOVERNMENT CONTACTS

The Acquisition Office representative responsible for overall administration of the RFP and agreement(s) is:

Ms. Lila Duffin
Bureau of Reclamation
Attention: UC-825
125 South State Street, Room 6107
Salt Lake City UT 84138-1147
Phone: (801) 524-3727
Faxogram: (801) 524-3857
Internet: lduffin@uc.usbr.gov

Technical contacts are:

Salinity Program

Mr. Kib Jacobson
Bureau of Reclamation
125 South State Street, Room 7311
Salt Lake City UT 84138-1147
Phone: (801) 524-3753
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Western Colorado

Mr. Mike Baker
Bureau of Reclamation
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SECTION E -- OTHER INFORMATION

If you are awarded a Cooperative Agreement as a result of this request for proposals, the following General Provisions and Special Provisions will be included in your agreement.

E.1. GENERAL PROVISIONS

E.1.1. Regulations and Guidance

The regulations at 43 CFR, Part 12, Subparts A, C, E, and F, are hereby incorporated by reference as though set forth in full text. The following Office of Management and Budget (OMB) Circulars, as applicable, and as implemented by 43 CFR Part 12, are also incorporated by reference and made a part of this agreement. Failure of a recipient to comply with any applicable regulation or circular may be the basis for withholding payments for proper charges made by the recipient and/or for termination of support. Copies of OMB Circulars are available at http://www.whitehouse.gov/omb/grants/grants_circulars.html. The implementation of the circulars at 43 CFR Part 12 is available at <http://www.gpoaccess.gov/ecfr/>.

E.1.1.1 COLLEGES AND UNIVERSITIES that are recipients or subrecipients shall use the following:

Circular A-21, revised May 10, 2004, "Cost Principles for Educational Institutions"

Circular A-110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" (Codification by Department of Interior, 43 CFR 12, Subpart F)

Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations"

E.1.1.2 STATE, LOCAL AND TRIBAL GOVERNMENTS that are recipients or subrecipients shall use the following:

Circular A-87, as amended May 10, 2004, "Cost Principles for State, Local, and Indian Tribal Governments"

Circular A-102, as amended August 29, 1997, "Grants and Cooperative Agreements with State and Local Governments" (Grants Management Common Rule, Codification by Department of Interior, 43 CFR 12, Subpart C)

Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations"

E.1.1.3 NONPROFIT ORGANIZATIONS that are recipients or subrecipients shall use the following:

Circular A-110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" (Codification by Department of Interior, 43 CFR 12, Subpart F)

Circular A-122, revised May 10, 2004, "Cost Principles for Non-Profit Organizations"

Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations@

E.1.1.4 ORGANIZATIONS OTHER THAN THOSE INDICATED ABOVE that are recipients or subrecipients shall use the basic principles of OMB Circular A-110 (Codification by Department of Interior, 43 CFR 12, Subpart F), and cost principles shall be in accordance with 48 CFR Subpart 31.2, titled "Contracts with Commercial Organizations," which is available at <http://www.gpoaccess.gov/ecfr/> .

E.1.1.5 Additionally, please reference 43 CFR 12.77 for further regulations that cover the award and administration of subawards by State governments.

E.1.2 Debarment and Suspension

The Department of the Interior regulations at 43 CFR 42—Governmentwide Debarment and Suspension (Nonprocurement), which adopt the common rule for the governmentwide system of debarment and suspension for nonprocurement activities, are hereby incorporated by reference and made a part of this agreement. By entering into this grant or cooperative agreement with the Bureau of Reclamation, the recipient agrees to comply with 43 CFR 42, Subpart C, and agrees to include a similar term or condition in all lower-tier covered transactions. These regulations are available at <http://www.gpoaccess.gov/ecfr/> .

E.1.3 Drug-Free Workplace

The Department of the Interior regulations at 43 CFR 43—Governmentwide Requirements for Drug-Free Workplace (Financial Assistance), which adopt the portion of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq, as amended) applicable to grants and cooperative agreements, are hereby incorporated by reference and made a part of this agreement. By entering into this grant or cooperative agreement with the Bureau of Reclamation, the recipient agrees to comply with 43 CFR 43, Subpart B, if the recipient is not an individual, or with 43 CFR 43, Subpart C, if the recipient is an individual. These regulations are available at <http://www.gpoaccess.gov/ecfr/> .

E.1.4 Assurances and Certifications Incorporated by Reference

E.1.4.1 The provisions of the Assurances, SF 424B or SF 424D as applicable, executed by the Recipient in connection with this agreement shall apply with full force and effect to this agreement as if fully set forth in these General Provisions. Such Assurances include, but are not limited to, the promise to comply with all applicable Federal statutes and orders relating to nondiscrimination in employment, assistance, and housing; the Hatch Act; Federal wage and hour laws and regulations and work place safety standards; Federal environmental laws and regulations and the Endangered Species Act; and Federal protection of rivers and waterways and historic and archeological preservation.

E.1.4.2 When required by 43 CFR 18—New Restrictions on Lobbying, recipients shall complete a Certification Regarding Lobbying form. This certification is incorporated by reference and made a part of this agreement. These regulations are available at <http://www.gpoaccess.gov/ecfr/> .

E.1.5 Covenant Against Contingent Fees

The recipient warrants that no person or agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide offices established and maintained by the recipient for the purpose of securing agreements or business. For breach or violation of this warranty, the Government shall have the right to annul this agreement without liability or, in its discretion, to deduct from the agreement amount, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

E.1.6 Contracting with Small and Minority Firms, and Women's Business Enterprises

It is a national policy to award a fair share of contracts to small and minority business firms. The Department of the Interior is strongly committed to the objectives of this policy and encourages all recipients of its grants and cooperative agreements to take affirmative steps to ensure such fairness.

E.1.6.1 The grantee and subgrantee shall take all necessary affirmative steps to assure that minority firms, and women's business enterprises are used when possible.

E.1.6.2 Affirmative steps shall include:

E.1.6.2.1 Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

E.1.6.2.2 Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

E.1.6.2.3 Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

E.1.6.2.4 Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

E.1.6.2.5 Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce as appropriate, and

E.1.6.2.6 Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in A.6.2.1 through A.6.2.5, above.

E.1.7 Notice Regarding Buy American Act

In accordance with the annual Energy and Water Development Appropriations Act, please be advised that it is and has been the sense of Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made. This provision shall remain in effect unless revoked by a future specific act of Congress.

E.1.8 Resolving Disagreements

When entering into a cooperative agreement with a recipient, Reclamation commits itself to working with the recipient in a harmonious manner to achieve the objectives of the project successfully. When disagreements arise between the parties, they must be resolved according to the procedures discussed below:

E.1.8.1 Reclamation shall attempt first to resolve disagreements with the recipient through informal discussion among the Grant and Cooperative Agreement Officer (GCAO), the Program Officer, and the recipient's Project Director.

E.1.8.2 If the disagreement cannot be resolved through informal discussion between these parties, the GCAO and the Program Officer shall document the nature of the disagreement and bring it to the attention of the Grant Office Manager.

E.1.8.3 After reviewing the facts of the disagreement, as presented by the Grants and Program Offices, the Grant Officer Manager will arrange a formal meeting. If agreement still cannot be reached, the parties will collectively decide on any varied approaches which might be used to resolve the disagreement. The parties shall be responsible for their individual expenses related to any approach utilized to resolve the disagreement. If attempts at resolving the disagreement fail, the Chief, Acquisition and Assistance Management Division, or the Regional Director, whichever is applicable, shall make a decision which shall be final and conclusive.

E.1.8.4 Nothing herein shall be construed to delay or limit Reclamation's right to take immediate and appropriate action, as set forth at 43 CFR Subpart 12.83 or 12.962, as applicable, in the event of material noncompliance by the recipient, and no attempts at informal resolution shall be necessary.

Any post award issue will be open for resolution in accordance with the above procedures, with the exception of disagreements regarding continuation of the agreement (termination must be in accordance with 43 CFR 12), or other matters specifically addressed by the agreement itself.

E.1.9 Lobbying Restrictions

In accordance with the annual Energy and Water Development Appropriations Act, please be advised that it is and has been the sense of Congress that none of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence Congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This provision shall remain in effect unless revoked by a future specific act of Congress.

E.1.10 Electronic Funds Transfer (EFT)

In accordance with the Debt Collection Improvement Act of 1996, 31 CFR 208, effective January 2, 1999, all Federal payments to recipients must be made by EFT unless a waiver has been granted in accordance with 31 CFR 208.4. Upon award of a financial assistance agreement, Reclamation will provide the recipient with further instructions for implementation of EFT payments or a certification form to request exemption from EFT.

E.1.11 Endorsement of Commercial Products and Services

In accordance with 43 CFR 12.2(d), this provision applies to grants and cooperative agreements whose principal purpose is a partnership where the recipient contributes resources to promote agency programs, publicize agency activities, assists in fund-raising, or provides assistance to the agency. If the agreement is awarded to a recipient, other than a State government, a local government, or a federally-recognized Indian tribal government, and the agreement authorizes joint dissemination of information and promotion of activities being supported, the following provision shall be made a term and condition of the award:

Recipient shall not publicize or otherwise circulate, promotional material (such as advertisements, sales brochures, press releases, speeches, still and motion pictures, articles, manuscripts or other publications) which states or implies governmental, Departmental, bureau, or government employee endorsement of a product, service or position which the recipient represents. No release of information relating to this award may state or imply that the Government approves of the recipient's work products, or considers the recipient's work product to be superior to other products or services.

All information submitted for publication or other public releases of information regarding this project shall carry the following disclaimer:

"The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the opinions or policies of the U.S. Government. Mention of trade names or commercial products does not constitute their endorsement by the U.S. Government."

Recipient must obtain prior Government approval for any public information releases concerning this award which refer to the Department of the Interior or any bureau or employee (by name or title). The specific text, layout photographs, etc., of the proposed release must be submitted with the request for approval.

A recipient further agrees to include this provision in a subaward to any subrecipient, except for a subaward to a State government, a local government, or to a federally-recognized Indian tribal government.

E.2. SPECIAL PROVISIONS

E.2.1 Payment Policy (Reclamation 11/03)

Acceptance of a financial assistance agreement from Reclamation creates a legal responsibility on the part of the recipient organization to use the funds and property provided in accordance with the terms and conditions of the agreement. Reclamation has a reversionary interest in the unused balance of funding and in any funds improperly applied.

Payments to recipients are made in accordance with the basic standards and methods stated in the payment regulations at 43 CFR 12.61 or 43 CFR 12.922, as applicable to this agreement. These requirements are intended to minimize the time elapsing between the transfer of funds from the Federal government and the disbursement of these funds by the recipient.

Payment will be made in advance or by reimbursement as follows:

(1) Advance Payment -- Recipients shall be paid in advance provided (1) they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and their disbursement by the recipient, (2) they comply with reporting requirements for timely submission of financial status reports, and (3) they impose these same standards on subrecipients.

Advances to recipients shall be limited to the minimum amounts needed and shall be timed to be in accordance with the actual, immediate cash requirements of the recipient in carrying out the purpose of the agreement. The timing and amount of cash advances shall be as close as administratively feasible (generally no more than 3 days) to actual disbursements for direct program costs and the proportionate share of allowable indirect costs.

(2) Reimbursement -- Reimbursement shall be the preferred method of payment when a recipient (1) does not meet the requirements for advance payment stated above; (2) does not have financial management systems that meet the standards in 43 CFR 12.60 or 43 CFR 12.921, as applicable; or (3) has been converted to payment restrictions for non-compliance with the terms and conditions of the agreement. Reimbursement is also the preferred method of payment for agreements involving construction.

E.2.2 Payment Method (Reclamation 11/03)

Electronic Funds Transfer -- Payments under this agreement will be made to recipients by electronic funds transfer (EFT) unless the recipient qualifies for exemption from this payment method. Reclamation utilizes the Automated Clearinghouse (ACH) Vendor Express payment system for EFT. Whether funds are paid in advance or as a reimbursement, the actual payment will be made through Vendor Express. Vendor Express allows the Government to transfer funds to a recipient's financial institution along with explanatory information regarding the payment.

Enrollment -- Upon award, recipients will receive a copy of the SF-3881, ACH Vendor/Miscellaneous Payment Enrollment Form. This form is required to implement the Vendor Express system and to notify Reclamation of any change or corrections to financial institution information.

Requesting Payments - Requests for advance or reimbursement may be made by the following methods:

(1) SF-270, Request for Advance or Reimbursement - On a monthly basis, recipients may submit an original and two copies of a properly certified SF-270 form to the address identified in Block [# 6], page 1, of this agreement. For advance payments, this form may be submitted on a monthly basis, at least two weeks prior to the date on which funds are required, and on the basis of expected disbursements for the succeeding month and the amount of Federal funds already on hand. Requests for reimbursement may be submitted on a monthly basis, or more frequently if authorized by the Grant and Cooperative Agreement Officer (GCAO). Requested funds are delivered to the recipient via ACH Vendor Express. This form is available on the Internet at http://www.whitehouse.gov/omb/grants/grants_forms.html .

(2) SF-271, Outlay Report and Request for Reimbursement for Construction Programs - The SF-271 shall be used for construction agreements paid by the reimbursement method, letter of credit, electronic funds transfer, or Treasury check advance, except where the advance is based on periodic requests from the recipient, in which case the SF-270 shall be used. This request may be submitted on a quarterly basis, but no less frequently than on an annual basis. Recipients may submit an original and two copies of a properly certified SF-271 form to the address identified in Block [# 6], page 1, of this agreement. This form is available on the Internet at http://www.whitehouse.gov/omb/grants/grants_forms.html .

(3) Automated Standard Application for Payments (ASAP) - Recipients may utilize the Department of Treasury ASAP payment system to request advances or reimbursements. ASAP is a recipient-initiated payment and information system designed to provide a single point of contact for the request and delivery of Federal funds. Once a request is made through ASAP, funds are provided to the recipient either through ACH or Fedwire. Further information regarding ASAP may be obtained from the ASAP website at <http://www.fms.treas.gov/asap> . Upon award, you will be provided with information regarding enrollment in the ASAP system.

E.2.3 Reporting Requirements and Distribution (Reclamation 11/03)

Failure to comply with the reporting requirements contained in this agreement may be considered a material non-compliance with the terms and conditions of the award. Non-compliance may result in withholding of payments pending receipt of required reports, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the agreement, recovery of funds paid under the agreement, withholding of future awards, or other legal remedies.

(1) Financial Reports - All financial reports shall be signed by an Authorized Certifying Official for the recipient's organization. The following forms are available at http://www.whitehouse.gov/omb/grants/grants_forms.html .

(a) SF-269 or SF-269a, Financial Status Report - This form is utilized to report total expenditures for the reporting period. The SF-269 must be used if the recipient is accountable for the use of program income; otherwise, the SF-269a may be used.

An original and two copies of this form shall be submitted quarterly within 30 days following the end of each reporting period.

A final SF-269 or SF-269a shall be submitted within 90 days following completion of the agreement.

(b) SF-272, Report of Federal Cash Transactions - This report shall be submitted by recipients that draw down cash advances by means of electronic funds transfer or Treasury check. Recipients shall identify in the "Remarks" section the amount of cash advances received in excess of 3 days prior to disbursement and explain actions taken to reduce excess balances.

An original and two copies of this form shall be submitted on a quarterly basis within 15 days following the end of the reporting period

(2) Program Performance Reports

(a) Interim Reports - Recipients shall submit an original and two copies of program performance reports on a quarterly basis within 30 days following the end of each reporting period. Program performance reports shall contain the following:

- (i) A comparison of actual accomplishments with the goals and objectives established for the reporting period;
- (ii) Where project output can be quantified, a computation of the cost per unit of output;
- (iii) When appropriate, reasons why goals and objectives were not met; and
- (iv) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(b) Annual Reports - An original and two copies of an annual program performance report shall be submitted within 90 days following the end of each year of the agreement. Copies of this report may be required to be included with any application for continuing support of the agreement.

(c) Final Report - An original and two copies of the final program performance report shall be submitted no later than 90 days following the expiration or termination of the agreement.

(3) Significant Developments

During the term of the agreement, the recipient must immediately notify the GCAO if any of the following conditions become known:

- (a) Problems, delays or adverse conditions which will materially impair their ability to meet the objectives of the agreement;
- (b) Favorable developments which enable the recipient to meet time schedules and objectives sooner than or at less cost than projected or to produce more beneficial results than originally planned.

This notification is to include information on the actions taken or contemplated to resolve problems, delays, or adverse conditions, and any assistance needed from Reclamation to help resolve the problem.

(4) Report Distribution

Copies of reports shall be distributed as follows:

TYPE OF AGREEMENT	GCAO (Block 6, Page 1)	GCAOR (Block 8, Page 1)
Financial Reports	1	1
Performance Reports	1	1
Significant Developments	1	1

E.2.4 Modifications (Reclamation 08/03)

Any changes to this agreement shall be made by means of a written modification. Reclamation may make changes to the agreement by means of a unilateral modification to deal with administrative matters, such as changes in address, no-cost time extensions, the addition of previously agreed upon funding, or deobligation of excess funds at the end of the agreement. Additionally, a unilateral modification may be utilized by Reclamation if it should become necessary to suspend or terminate the agreement in accordance with 43 CFR 12.83 or 43 CFR 12.961, as applicable.

All other changes shall be made by means of a bilateral modification to the agreement. No oral statement made by any person, or written statement by any person other than the GCAO, shall be allowed in any manner or degree to modify or otherwise effect the terms of the Agreement.

All requests for modification of the Agreement shall be made in writing, provide a full description of the reason for the request, and be sent to the attention of the GCAO. Any request for project extension shall be made at least 45 days prior to the expiration date of the agreement or the expiration date of any extension period that may have been previously granted. Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of Reclamation.

E.2.5 Funds Available for Payment (Reclamation 08/03)

The Government's obligation under this Agreement is contingent upon the availability of appropriated funds from which payment for Agreement purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the GCAO for this Agreement, and until the Recipient receives notice of such availability, to be confirmed in writing to the Recipient by the GCAO.

Pursuant to the Act of Congress of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all commonly known as Reclamation Law, funds for payment under the first year of this agreement are included in the fiscal year 2005 Energy and Water Development Appropriation Act, Public Law [to be determined]. Funding for any optional year of the agreement is contingent upon subsequent Congressional funding.

E.2.6 Reimbursable Costs and Limitations (Reclamation 08/03)

E.2.6.1 The Recipient shall provide all personnel, services, facilities, equipment, materials and supplies, and perform all travel which may be necessary and appropriate for the proper performance of this Agreement. Costs so incurred will be paid for as provided herein. Reclamation's obligation to provide funding to the Recipient for costs incurred in these connections shall be limited to the Recipient's direct and indirect costs associated with this Agreement. All such direct and indirect costs must be determined to be allowable under the regulations contained in 48 CFR Subpart 31.2 or an OMB Cost Principle Circular, as applicable, which are incorporated herein through the General Provisions of this agreement.

E.2.6.2 The recipient shall not incur costs or obligate funds for any purpose pertaining to operation of the program or activities beyond the expiration date stated in the agreement. The only costs which are authorized for a period of up to 90 days following the award expiration date are those strictly associated with closeout activities for preparation of the final report.

E.2.6.3 Reclamation's financial participation is limited. Reclamation will only fund up to its share of those amounts requested in the project proposal and as are subsequently approved and funded in the agreement. The recipient shall not be obligated to continue performance under the agreement or to incur costs in excess of the costs set forth in the proposal and subsequent agreement. However, if the recipient chooses to expend funds in excess of the approved project budget, the recipient will be responsible to fund the excess without funding participation by Reclamation.

E.2.7 Budget Revisions (Reclamation 08/03)

The Recipient shall follow the requirements at 43 CFR 12.70(c) or 43 CFR 12.925, as applicable, when making revisions to budget and program plans. Additionally, approval shall be requested for transfers of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa.

E.2.8 Procurement Standards (Reclamation 08/03)

When utilizing Federal funds for the procurement of supplies and other expendable property, equipment, real property, and other services under this agreement, the Recipient shall utilize the Procurement Standards set forth at 43 CFR 12.76 or 43 CFR 12.940 -12.948, as applicable. The Recipient may be required to submit evidence that its procurement procedures are in compliance with the standards stated therein. Additional guidance for contracting with small

and minority firms, and women's business enterprises is included in the General Provisions section of this agreement.

E.2.9 Property Standards (Reclamation 08/03)

All property, equipment and supplies acquired by the Recipient with Federal funds shall be subject to usage, management, and disposal in accordance with the Property Standards at 43 CFR 12.72 - 12.73, or 43 CFR 12.930 - 12.937, as applicable.

E.2.10 Inspection (Reclamation 08/03)

Reclamation has the right to inspect and evaluate the work performed or being performed under this agreement, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If Reclamation performs inspection or evaluation on the premises of the Recipient or a subrecipient, the Recipient shall furnish and shall require subrecipients to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

E.2.11 Audit (Reclamation 01/04)

Non-Federal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, which is available at http://www.whitehouse.gov/omb/grants/grants_circulars.html . Federal awards are defined as Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. They do not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Non-Federal entities that expend less than \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in A-133, §__.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO).

Audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. Additional audit requirements applicable to this agreement are found at 43 CFR 12.66 or 43 CFR 12.926, as applicable. General guidance on the single audit process is included in a pamphlet titled, "Highlights of the Single Audit Process" which is available on the internet at <http://www.dot.gov/ost/m60/grant/sincontact.htm> . Additional information on single audits is available from the Federal Audit Clearinghouse at <http://harvester.census.gov/sac/> .

E.2.12 Enforcement (Reclamation 08/03)

In accordance with 43 CFR 12.83 or 43 CFR 12.962, as applicable, if the recipient materially fails to comply with any term of this agreement, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, Reclamation may take one or more of the following actions as appropriate:

E.2.12.1 Temporarily withhold cash payments pending correction of the deficiency by the recipient or subrecipient or more severe enforcement action by the awarding agency;

E.2.12.2 Disallow (deny both use of funds and any matching credit for) all or part of the cost of the activity or action not in compliance;

E.2.12.3 Wholly or partly suspend or terminate the current award for the recipient's or subrecipient's program;

E.2.12.4 Withhold further awards for the program; or

E.2.12.5 Take other remedies that may be legally available.

E.2.13 Termination (Reclamation 08/03)

In accordance with 43 CFR 12.84 or 43 CFR 12.961, as applicable, and except as provided for in the Enforcement Provision, above, this agreement may be terminated in whole or part only as follows:

E.2.13.1 By the awarding agency with the consent of the recipient or subrecipient in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

E.2.13.2 By the recipient or subrecipient upon written notification to Reclamation, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either the Enforcement Provision or paragraph 1 of this Provision.

E.2.14 Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) Requirement (Reclamation 07/04)

Effective October 1, 2003, applicants for Federal grants or cooperative agreements must provide a D&B DUNS number with their application. This number is to be included in Block 5 of your SF-424 Application for Federal Assistance (Rev.9-2003), or in Block 6 of previous versions of the SF-424.

If you do not have a DUNS number, one may be obtained at no cost by calling the dedicated toll-free DUNS Number Request Line at 1-866-705-5711, or by going to the DUNS Government Contractor and Grantee website at <https://eupdate.dnb.com/requestoptions/government/ccrreq/>

Individuals who would personally receive a grant or cooperative agreement award from the Federal government, apart from any business or non-profit organization they operate, are exempt from the requirement to provide a DUNS number with their application. Reclamation must, however, have a DUNS number for payment processing purposes, and will therefore obtain a DUNS number for any individual who is awarded a grant or cooperative agreement.

SECTION F -- FORMS and SUGGESTED FORMATS

This section contains suggested forms and formats that are intended to assist your organization in the preparation of a proposal that will meet the proposal submission requirements stated in this Request for Proposals.

F.1 Cover Page -- SF-424 Application for Financial Assistance form

F.2 SF-424D, Assurances – Construction Programs, form

F.3 Title Page

F.4 Table of Contents

F.5 Executive Summary

F.6 Technical Proposal

F.7 Budget Proposal

F.8 Risk Analysis

F.9 Budget Form -- SF424C, Budget Information - Construction Programs