

Project Management Agreement Between the Regional Commission and the Rural Utilities Service

Project No.

Project Management Agreement Between the _____
Regional Commission and the Rural Utilities Service, United States Department of Agriculture
Pertaining to _____.

(grantee) _____ County, _____.

I. Introduction

A. The _____ Regional Commission is providing a basic grant for _____ (purpose) to _____ (grantee), and the U.S. Department of Agriculture, Rural Utilities Service (RUS) has approved and the Rural Economic and Community Development (RECD) State Program Official will administer that grant on behalf of RUS. The RUS has determined that funds cannot be made available under its funding program for this fiscal year for the project although it meets all the requisites for assistance under Section 306(a) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926). In order to accomplish these purposes, the _____ Regional Commission's Federal Cochairman and the RECD State Program Official hereby enter into this Memorandum of Understanding which is in accordance with 31 U.S.C. 686.

B. This agreement is intended to cover the application phase, construction phase, and final audit.

II. General

A. Project Cost. The project costs for the purposes of this agreement shall include the costs of construction, technical services, legal services, land acquisition, permits and rights-of-way, interest during construction, and contingencies.

B. Grant. The _____ Regional Commission shall make a basic grant of \$ _____ up to but not exceeding _____ % of the total cost of the project. These funds will be transferred to the Treasury Account of the Rural Utilities Service by Standard Form 1151, "Nonexpenditure Transfer Authorization."

C. The undersigned RECD State Program Official on behalf of RUS, in concurring with this Project Management Agreement, hereby assures the Federal Cochairman that:

1. The estimated cost of the project is reasonable and the basic grant, with the funds to be supplied by the applicant, is, in RUS's judgment, sufficient to complete the project.
2. The funds to be supplied by the applicant are available or RUS is reasonably satisfied that the applicant has the capability of supplying such funds.
3. RUS is reasonably satisfied that the facility will be properly and efficiently administered, operated, and maintained and that the applicant will provide sufficient funds to assure the successful and continuing operation of the facility.

D. The _____ (grantee) is subject to Executive Order 11246 and will be required to evidence compliance by execution of the following:

1. Form FmHA 400-1, "Equal Opportunity Agreement."
2. Form FmHA 400-4, "Nondiscrimination Agreement."

E. The _____(grantee) shall execute assurances of nonrelocation.

III. Construction Management

A. The forms and format for the documents shall conform to the requirements in RUS Instruction 1780. Generally, the following items shall be included.

1. Contract Documents
2. Specifications
3. Plans

B. RUS will approve the plans and specifications.

C. RUS will obtain a certification of adequacy from the Federal Environmental Protection Agency.

- D. RUS will obtain a non-pollution certificate from the _____ (state)
_____ (agency).
- E. RUS will make periodic inspections.
- F. Contract change orders will not become effective until approved by RUS.
- G. Final inspection will be conducted by RUS.

IV. Financial Management

- A. Financial Management of the project shall be according to RUS Instruction 1780.
- B. RUS will provide the _____ Regional Commission with a copy of the audit report.
- C. If actual costs fall below the costs on which the grant was calculated, the Federal and non-Federal shares will be reduced proportionately.
- D. RUS will conform to the financial reporting requirements for transferred funds as required by the attached copy of "Reporting of Funds Transfer by Participating Agencies."

V. Compensation

Services rendered by RUS for the processing and administration of Commission grants in cases where neither RUS loan nor grant funds are involved shall be on a reimbursable basis. Reimbursement will be based on five percent (5%) of the amount of the grant up to \$50,000 and an additional one percent (1%) of any amount over the first \$50,000 of the Commission grant. The full amount of the reimbursement will be transferred to RUS at the time the grant funds are transferred to RUS.

VI. No provisions in this agreement shall abrogate the legal requirements of administrative responsibilities as set forth in the Consolidated Farm and Rural Development Act or Section 509 of the Public Works and Economic Development Act of 1965, as amended.

For the _____ Regional Commission.

(name) Federal Cochairman _____, 19__.

For the Rural Utilities Service, USDA

(name) State Program Official _____, 19__.