

## PART 4 SELECTION AND AWARD PROCESS

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### 4.1 SELECTION OF RECIPIENTS

**POLICY:** The program office has primary responsibility for identifying the business requirements of the program and for selecting potential recipients. Recipients should be selected based on the likelihood of successfully meeting the financial and program goals of the project. The FAO has primary responsibility for assuring a reasonable selection process and for the administrative aspects of implementing the program decision.

**INFORMATION:** A financial assistance award is made at the sole discretion of BPA, and is not subject to appeal or review.

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### **4.1.1 Awards to Federal Employees and Annuitants**

**POLICY:** BPA and other Federal employees and business concerns or organizations, which are substantially owned or controlled by BPA employees, may not receive BPA financial assistance. Awards may be made to Federal annuitants provided that all other provisions of the BFAI are followed.

### **4.1.2 Small and Disadvantaged Business Participation**

**POLICY:**

(a) BPA shall provide adequate opportunities for small businesses, including socially and economically disadvantaged small businesses, to compete for financial assistance awards consistent with the Federal law and BPA program needs.

(b) BPA may use preferences for small or disadvantaged business in its financial assistance programs. The FAO shall employ preferences consistent with Part 8 of the BPI.

## **4.2 APPLICANT RESPONSIBILITY**

**POLICY:**

(a) BPA expects to make financial assistance awards to experienced organizations with sound management systems. However, the objective of a specific recipient's program or project to be attained may require that BPA support recipients with lower than desired levels of skill and expertise in some areas of project management. In doing so, the FAO shall include sufficient safeguards in the award to protect BPA's program and financial interests.

(b) Awards may not be made to organizations named in the Excluded Parties Listing System, which can be viewed online at <http://epls.arnet.gov/>. The applicant is responsible for informing the FAO of any exclusion actions in place or pending during application or award phase. The FAO shall check the list before awarding any financial assistance.

## **4.3 SELECTION OF AWARD INSTRUMENT**

**POLICY:**

(a) BPA shall determine whether a program is principally one of acquisition (purchasing) or financial assistance pursuant to 31 U.S.C. 6302 - 6305. This determination shall be made by the FAO. For financial assistance transactions, the FAO shall determine whether a grant or a cooperative agreement is the appropriate instrument. See the definitions of grant and cooperative agreement in BFAI subpart 1.4. BPA shall limit involvement between itself and the recipient in the performance of a project to the minimum necessary to achieve BPA's program objectives.

(b) The following general policies should be used when deciding whether to award a contract, cooperative agreement, grant or simplified grant:

(1) A Contract is the appropriate instrument when the requirements indicate that the results of the project will directly benefit BPA business purposes (See the BPI);

(2) A Cooperative Agreement is the appropriate instrument when the requirements of a financial assistance relationship indicate the need for BPA collaboration or participation in the management of the project and substantial involvement is anticipated;

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(3) A Grant is the appropriate instrument when the requirements of a financial assistance relationship indicate that the recipient can be expected to perform the project without BPA collaboration, participation, or intervention as long as the project is run in accordance with the terms of the assistance instrument and substantial involvement is not anticipated; and

(4) A Simplified Grant is the appropriate instrument when the requirements of a financial assistance relationship indicate that the program office has performed the market research and evaluation of applications to determine an awardee worthy of our support. A simplified grant has an award period of less than 12 months with a single advance payment of \$50,000 or less. These awards do not require any BPA collaboration, involvement or oversight.

### 4.4 NEGOTIATIONS

**INFORMATION:** Negotiations may occur pre-application or post-award and should address program purpose, timing, the financial commitment of BPA, BPA oversight and any special terms needed to assure BPA that its expenditures have acceptable risk and will meet agency goals. Negotiations may occur by telephone, in person or by electronic means. Any revisions to the relationship shall be reflected in the final award and acceptance. Normally the FAO shall conduct negotiations. Agreements made during negotiations shall be documented in the DAD. (BFAI 4.13)

#### 4.4.1 Negotiation of Indirect Cost Rates

**POLICY:** The policies and procedures described in BPI 14.17, Indirect Cost Rates, shall be applied to financial assistance awards.

### 4.5 FUNDING AND EFFECTIVE PERIOD

#### **INFORMATION:**

(a) BPA may fund all or part of a project. The effective period of the award is the duration of BPA support, and funds provided by BPA may be utilized during the entire effective period. Effective periods of awards may begin prior to the date of the award if it is included within the terms of the award, and the FAO determines it to be in BPA's best interest. (BFAI 4.5.1)

(b) If funding is not or may not be available for the entire project at the time of award, the FAO shall specify these limitations in the award. For example, the FAO may establish an effective period for the amount of time that funds are available, and issue a modification to add money, extend the effective period or add an activity when needed. Alternatively, the FAO may establish the effective period for the entire length of the project, and only provide the available funds, using modifications to provide additional funding when needed and available. In either event, if the project is not fully funded at the time of award, the award must clearly state that funding for future periods is not assured, and that BPA's obligation to fund additional portions of the project is dependent upon the availability of funds.

**PROCEDURE:** Effective periods may be extended by amending the financial assistance award.

#### 4.5.1 Pre-Award Costs

**INFORMATION:** Pre-award costs are those allowable costs (identified by budget category and type of cost) incurred prior to award. Such costs are eligible for reimbursement only with the express written consent of the FAO. The FAO, in conjunction with the program office, should

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review any request for pre-award costs in light of the relevance of the proposed costs to the project to be supported and available program funding. Unapproved pre-award expenditures are made at the recipient's risk. Approval of pre-award costs will be recognized in the award document.

### **4.6 PAYMENT**

**POLICY:** Payment provisions in financial assistance documents should provide funding to recipients as close in time as possible to their need to expend funds. Such transfers shall be made consistent with program objectives, applicable laws and Treasury Regulations, 31 CFR Part 205.

#### **4.6.1 Types of Payments**

**INFORMATION:** Payments may be either:

- (a) Advance Payments made to recipients prior to the recipient making cash outlays, or
- (b) Reimbursement Payments made after the recipient has incurred expenses and made cash outlays.

##### **4.6.1.1 Determining the Type of Payment**

**POLICY:** The FAO shall specify the type of payment in the award instrument.

**PROCEDURE:** The decision to use a particular payment type is based upon several factors, including the recipient's financial stability and the adequacy of the recipient's financial management system. As a part of the decision on which method to use, the FAO must consider the recipient's willingness to minimize the time elapsing between the receipt of funds from BPA and their disbursement for award purposes by the recipient. The FAO may consider the recipient's payment preference. The amounts of advance payments should generally be consistent with the recipient's anticipated needs as the project proceeds, rather than being established on a predetermined basis when the award is made.

##### **4.6.1.2 Advance Payments**

**POLICY:** Unless otherwise requested by the recipient, advance payments shall be made when the recipient's financial management system provides (1) adequate fund control and accountability procedures to insure the timely incurrence and satisfaction of obligations and (2) the recipient has demonstrated the ability to faithfully follow the established procedures.

##### **4.6.1.3 Reimbursement Payments**

**POLICY:** Reimbursement payments shall be used when the recipient does not qualify for advance payments (BFAI 4.6.1.2), or when the recipient requests reimbursement. Requests for reimbursement shall generally be submitted no more than once monthly.

#### **4.6.2 Method of Payment**

**INFORMATION:** Payments may be either:

- (a) One single payment made either in advance or as a reimbursement of incurred costs. If a recipient meets the requirement for advance payment, the duration of the project is twelve months or less, the amount of the award is less than \$50,000 or the award meets the criteria for Simplified Grants (BFAI 4.10), the entire award amount may be advanced in a single payment.

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(b) A series of multiple periodic payments made to provide for 30 day cash advances for reports submitted on a quarterly basis, or monthly or quarterly reimbursement of incurred costs.

### **4.6.3 Form of Payment**

**INFORMATION:** Payments will be made by electronic funds transfer, the electronic payment system used by the U.S. Treasury in lieu of issuing paper checks. Funds are transferred directly into the recipient's bank account, thereby eliminating processing and mail time involved in issuing a paper check. Payment may be made by paper check if approved by the FAO. See BPI 22.6.2, BPI Clause 22-20.

### **4.7 PROGRAM INCOME**

#### **POLICY:**

- (a) Program income earned by the recipient, shall be used in one or more of the following ways:
- (1) Deducted from the total project costs for the purpose of determining the net costs on which the BPA share of costs will be based. This is the preferred method.
  - (2) Added to the total funds committed to the project by BPA and the recipient and used to further eligible program objectives;
  - (3) Used by the recipient to finance the non-BPA share of the project; or
  - (4) Returned to BPA by check at the end of the effective period.
- (b) The disposition of anticipated program income shall be documented in the award.

### **4.8 OBLIGATION AND ACCEPTANCE OF AWARD**

#### **PROCEDURE:**

- (a) The FAO shall sign the award document prior to sending it to the recipient. Recipient signatures may be required by the FAO. BPA funds for a financial assistance award are obligated as of the date the FAO signs the award unless the FAO requires a signature from the recipient. The recipient is not authorized to incur costs under an award prior to the date of the award unless authorized in writing by the FAO.
- (b) The maximum BPA obligation to the recipient is the amount shown in the award. BPA shall have no responsibility to make additional award for the same or any other purpose. The BPA obligation shall be valid until the expiration date of the effective period shown in the award or as otherwise limited by the terms of the award.

### **4.9 PREPARATION OF AWARD INSTRUMENT**

**POLICY:** The type and complexity of the financial assistance award instrument should reflect the scope and risks inherent in the project. The award instrument shall use the BFAI clauses and, appropriate BPI clauses.

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**PROCEDURE:** The FAO will include the following wording on all awards that include BFAI and BPI clauses to inform recipients of how these clauses apply to their specific award:

"This award document may contain both Financial Assistance clauses and BPA Purchasing clauses, as allowed by both the Bonneville Financial Assistance Instructions (BFAI) and the Bonneville Purchasing Instructions (BPI). It is BPA's intent that these clauses be used interchangeably and Contractors and/or Financial Assistance recipients abide by the clause's legal requirements regardless of the use of the specific words: "contract," "contractor," "subcontractor," "grant," "cooperative agreement," "recipient," or "sub-recipient."

**PROCEDURE:** Each BPA financial assistance award and all modifications shall be made using the Business Enterprise System (BES) electronically generated award form.

### 4.10 CONTENTS OF AWARDS

**PROCEDURE:**

(a) Simplified Grants shall be awarded through the BPA BES contracts module and shall include the following clauses: (BFAI 4.3)

- 4-1 Regulations Applicable to BPA Financial Assistance
- 4-2 Nondiscrimination in Federally Assisted Programs
- 4-3 Examination of Records

(b) The FAO shall include this clause in all Simplified Grants when the Recipient and/or Sub-recipients are State Government, Local Government or Non-Profit Organizations.

4-21 Requirements for Audit

- (1) The statement "Advance Payment – Pay on FAO Signature" should be notated on the face page of the award document.
- (2) Simplified grants to individuals must also address the Drug Free Workplace (BPI Clause 3-6)

(c) The following clauses shall be included in all awards that are not simplified grants: (BFAI 4.3)

- 4-1 Regulations applicable to BPA Financial Assistance
- 4-2 Nondiscrimination in Federally assisted programs
- 4-3 Examination of Records
- 4-7 Environmental Protection, BPI 15.50
- 4-8 Indemnification
- 4-9 Acknowledgment of Support

(d) The FAO shall include this clause in all Grants when the Recipient and/or Sub-recipients are State Government, Local Government or Non-Profit Organizations.

4-21 Requirements for Audit

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- (e) All other awards, in addition to (b) above, **shall address the following topics:**
- (1) Performance Reporting Requirements. The FAO shall insert a clause similar to Clause 4-4, Reporting Program Performance, in all awards. FAOs may not specify reporting intervals more frequent than quarterly nor require more than three copies of the written report. The award document should specifically indicate the recipient's reporting requirements including the frequency of required reports and time periods for reporting.
  - (2) Payment Procedures and Instructions
    - (A) The FAO shall insert a clause similar to Clause 4-5, Advance Payment and Financial Reporting Requirements, in awards funded by advance payments.
    - (B) The FAO shall insert a clause similar to Clause 4-6, Reimbursement Payment and Financial Reporting Requirements, in awards funded using the reimbursement payment method.
- (f) In addition to the required clauses in (b) in this sub-part, the following topics must be covered if appropriate to the specific award:
- (1) Disputes. Either Clause 4.10 or BPI Clause 21-2 may be used as the FAO deems appropriate;
  - (2) If Research, Development or Demonstration:
    - (A) Authorization and Consent (BPI clause 17-1)
    - (B) Patent Rights (BPI clause 17-2)
    - (C) Rights in Data (BPI clause 17-3)
  - (3) Continuation terms (if it is anticipated that the project may be continued at the expiration of this award);
  - (4) Review of Recipient's contracts before they are awarded;
  - (5) Separate Bank Accounts. In general, recipients will not be required to maintain separate bank accounts for funds advanced by BPA. However, the use of such accounts may be advisable for awards of a significant dollar amount, of long duration or using an advance payment;
  - (6) Bonding. Where an award includes construction or facilities improvement under contracts or subcontracts exceeding \$100,000, bonding shall be required, however BPA may accept the normal bonding and insurance practices of the recipient, provided its system assures the safety of BPA funds obligated. If the FAO determines adequate protection for BPA funds does not exist, other bonding may be required. See BPI 16.1 for guidelines. The FAO shall confer with the General Counsel and the Risk management office prior to waiver of bonding requirements normally associated with construction project of similar size and complexity;
  - (7) Use of Program income. If the award is expected generate income for the recipient, the award should be adjusted to reflect the amount of income anticipated, and the use to which that income will be put. Possible uses of program income are described in BFAI 4.7.

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(8) Cost Sharing And Matching. BPA shall specify in the award any required cost sharing or matching, the manner in which it will be calculated, and when the cost sharing or matching shall be applied. The FAO shall inquire as to the source of the cost sharing or matching, as it may not be from funding provided by another Federal assistance award unless such use is specifically permitted by Federal statute.

(9) Lobbying. Restrictions on Payments to Influence Transactions (Lobbying), 31 U.S.C. 1352 requires persons or organizations receiving Federal financial assistance to certify and disclose certain activities intended to influence certain Federal transactions, including BPA's grants and cooperative agreements. The policies and procedures in BPI 3.5 are applicable to financial assistance transactions, including the insertion of clauses BPI 3-3, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions, and BPI 3-4, Limitations on Payment to Influence Certain Federal Transactions. Terminology in the clauses shall be changed appropriately to reflect the financial assistance context instead of the purchasing context.

(10) Reserved.

(11) Travel. The FAO shall insert clause 4-11, Travel, in awards that contemplate the travel costs as part of the project.

(12) FAO Representative. The FAO shall insert clause 4-12, Financial Assistance Officer's Representative (FAOR), in awards that will have a FAOR designated.

(13) Project Technical Representative. The FAO shall insert clause 4-13, Project Technical Representative (PTR), in awards that designate a PTR.

(14) Field Representative. The FAO shall insert a clause similar to 4-14, Field Representative (FR), in awards when a field representative is likely to be used.

(15) Cost-reimbursement Basis. The FAO shall insert clause 4-15, Cost-reimbursement Basis, in awards, which will be funded on a cost-reimbursement basis.

(16) BPA-Furnished Equipment or Material. The FAO shall insert a clause similar to 4-16, BPA-Furnished Equipment or Material, in all awards, which provide for BPA-furnished equipment or materials.

(17) Suspension or Termination. The FAO shall insert a clause similar to 4-17, Suspension or Termination, in awards where it would serve a useful purpose.

(18) Key Personnel. The FAO shall insert a clause similar to 4-18, Change or Absence of the Principal Investigator or Designated Key Personnel, in award for which a key person was a major part of the decision to make the award to the recipient.

(19) Paperwork Reduction. In accord with the Act, the FAO shall insert Clause 4-19, Paperwork Reduction, in awards for projects which may include the collection of data from the public.

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(20) Notification to Office of Federal Contract Compliance Programs. The FAO shall insert clause 4-20, Notification to Office of Federal Contract Compliance Programs, in awards which involve construction contracts.

(21) Audit. The FAO shall insert Clause 4-21, Requirement for Audit, in all awards.

(22) Endangered Species Act Requirements. The FAO shall insert Clause 4-22, Endangered Species Act Requirements, in awards, which support the BPA fish and wildlife program.

(23) Personal Property Management. The FAO shall insert a clause similar to 4-23, Personal Property Management, in all awards to other than state governments, when BPA-owned personal property is provided to, or when personal property is acquired by the recipient using BPA-provided funds. The FAO shall detail sensitive and significant equipment and materials to be acquired in paragraphs (c)(2), (c)(3) and (c)(4). The FAO should consider the value and sensitivity of the property involved, so that the recipient is required to manage appropriate property, but not to tightly manage consumables and low dollar value non-sensitive property. If there is question concerning the BPA's need to transfer title at the end of the project, the FAO should list the property in paragraph (c)(3) and resolve the issue when the award is closed.

(24) Personal Property Management – State Governments. The FAO shall insert a clause similar to 4-24, Personal Property Management - State Governments, in all awards to state governments when BPA-owned personal property is provided, or under which personal property will be acquired using BPA-provided funds.

(25) BPA Property to be granted. The FAO shall insert a clause similar to 4-25, BPA Property to be granted, in all awards where title to BPA property is to be given to the recipient as a part of the terms of the award.

(26) Budget Changes and Line Item Transfers. Except for awards with major cost sharing provisions, the FAO shall insert a clause similar to Clause 4-26, to track changes in cost-reimbursement awards exceeding \$50,000.

(27) Incremental Funding. The FAO shall insert a clause similar to 4-27, Incremental Funding, in awards that are to be funded on an incremental basis over the effective period of the award.

### **4.11 NOTIFICATIONS**

#### **4.11.1 Notification Prior to Large Awards**

**POLICY:** DOE Headquarters shall be notified at least 48 hours in advance of all awards of grants and cooperative agreements, or modifications thereto, of \$2,000,000 or more. (See BPI 4.5.)

#### **4.11.2 Notification of Unsuccessful Applicants and Debriefings**

**POLICY:** Unsuccessful applicants shall be notified by the FAO when their applications are not selected for award. Upon written request, an unsuccessful applicant may receive a debriefing. FAO will use guidance described in BPI 10.3 and BPI Appendix 6-A. The FAO may discuss the weaknesses of the proposal and suggest ways for the applicant to be more competitive in the future. The preferred medium for debriefing is telephone; however, face-to-face conferences (when time and circumstances permit) are also permissible.

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### **4.11.3 Reporting Award Data**

#### **POLICY:**

(a) The FAO is responsible for assuring that award data is properly reported for all financial assistance actions through Supply Chain Services or its successor.

(b) BPA will report financial assistance awards to the Department as agreed with the Department. Reporting will be done by Supply Chain Services or its successor.

### **4.12 FINANCIAL ASSISTANCE FILES**

#### **POLICY:**

(a) Assistance files shall contain sufficient documentation to support the actions taken. The level of required documentation to explain award decisions should be sufficient to adequately explain the decision to a journeyman FAO.

(1) The FAO shall maintain an award file containing all relevant pre-award documentation. It shall also contain all post-award documentation not otherwise included in the PTR or Payment files.

(2) The PTR shall maintain a working file that documents technical administration activities.

(3) Accounts Payable shall maintain the payment file that contains an original signature copy of the award, all modifications and all other documents needed to support payments under the award.

**PROCEDURE:** The FAO shall retain one copy of each application, which was not accepted for a minimum of 90 days following award. Copies of all other materials submitted by applicants shall be destroyed following award. After the retention minimum period, applications and related materials shall be destroyed in such a manner as to safeguard any sensitive, confidential, or proprietary data contained therein.

### **4.13 DOCUMENT OF AWARD DECISION (DAD)**

**PROCEDURE:** Generally, the FAO shall follow the DAD requirements of the BPI Part 12.8.2 when making awards under the BFAI, with the additional guidance provided below:

(a) Documentation shall be completed at the time major milestones are reached in the process, and prior to award. The extent of documentation should be appropriate to the size, risk, and complexity of the project being supported. The DAD must be dated and signed by the FAO.

(b) It is not necessary to document decisions which are either obvious or which are already explained in other file documentation. Cross references to supporting documentation shall be used where appropriate.

(c) Documentation may be brief and hand-written for simple actions where BPA's risk is low.

(d) There is no required format for documentation. Documentation will generally include the following topics where appropriate:

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- (1) Project title and number of solicitation.
- (2) Name of applicant(s).
- (3) If it is not apparent, the reason why financial assistance was selected instead of purchasing.
- (4) The results of any cost analysis or budget review conducted.
- (5) Expected BPA involvement anticipated during performance of the project.
- (6) Evaluation Report. The report should document the evaluations and the actions taken on each application. The evaluation report should contain, at a minimum: identification of the persons evaluating the applications, the evaluation criteria, and narrative comments concerning each application.
- (7) An explanation of significant decisions made regarding the applicants solicited, if any, and why the specific applicant received the award. The basis for selection of the best applicant(s) for final negotiation and award shall be documented. If multiple organizations were solicited, and not all received awards, the relative strengths and weaknesses of the applications and an explanation for obviously inadequate applications shall be documented.
- (8) The reasons for giving specific property acquisition and disposition instructions.
- (9) Notes of any negotiations, including the names of persons participating, topics discussed and the results of discussion.
- (10) Documentation establishing the adequacy of the recipient's financial management capabilities.
- (11) Any other pertinent material that supports the selection.
- (12) Date and name of person preparing documentation.

#### **4.14 RATIFICATION OF UNAUTHORIZED AWARDS**

**POLICY:** Only FAOs are authorized to award financial assistance at BPA. Commitments made by others to provide financial assistance by BPA are unauthorized. Unauthorized financial assistance awards may be ratified by the FAO if in BPA's interest. The procedures applicable to the ratification of financial assistance actions are described in BPI 2.4, and are to be followed when ratification actions are necessary. The FAO shall be responsible for documenting the reasons supporting ratification of financial assistance awards in the DAD. (BFAI 4.13)

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### **4.15 TEXT OF CLAUSES**

The following clauses are referenced in Part 4:

- 4-1 Regulations Applicable to BPA Financial Assistance
- 4-2 Nondiscrimination in Federally Assisted Programs
- 4-3 Examination of Records
- 4-4 Reporting Program Performance
- 4-5 Advance Payment and Financial Reporting Requirements
- 4-6 Reimbursement Payment and Financial reporting Requirements
- 4-7 Environmental Protection
- 4-8 Indemnification
- 4-9 Acknowledgment of Support
- 4-10 Disputes
- 4-11 Travel
- 4-12 Financial Assistance Officer's Representative (FAOR)
- 4-13 Project Technical Representative (PTR)
- 4-14 Field Representative (FR)
- 4-15 Cost Reimbursement Basis
- 4-16 BPA-Furnished Equipment or Material
- 4-17 Suspension or Termination
- 4-18 Change or Absence of the Principal Investigator or Designated Key Personnel
- 4-19 Paperwork Reduction
- 4-20 Notification to Office of Federal Contract Compliance Programs
- 4-21 Requirements for Audit
- 4-22 Endangered Species Act Requirements
- 4-23 Personal Property Management
- 4-24 Personal Property Management - State Governments
- 4-25 BPA Property to be Granted
- 4-26 Budget Changes and Line Item Transfers
- 4-27 Incremental Funding

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### **Clause 4-1 REGULATIONS APPLICABLE TO BPA FINANCIAL ASSISTANCE (BFAI 4.10) (Sep 04)**

The Bonneville Power Administration's financial assistance function is managed and executed solely in accordance with the Bonneville Financial Assistance Instructions (BFAI). The BFAI is available without charge on the Internet at <http://www/bpa.gov>. Copies of the BFAI may be obtained for \$15.00 each. Requests and comments should be sent to Head of the Contracting Activity - CK, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208. Subscriptions are not available.

(End of Clause)

### **Clause 4-2 NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (BFAI 4.10) (Sep 04)**

The recipient shall comply with 10 CFR Chapter II, Section 600.39 which provides that "...no person shall on the ground of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment, where the main purpose of the program or activity is to provide employment or when the delivery of program services is affected by the recipient's employment practices, in connection with any program or activity receiving Federal assistance from ..." BPA.

(End of Clause)

### **Clause 4-3 EXAMINATION OF RECORDS (BFAI 4.10) (Sep 04)**

(a) The recipient shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this award. The Financial Assistance Officer or a representative shall have the right of access to any books, documents, papers, or other records of recipients and sub-recipients which are pertinent to the award, in order to make audits, examinations, excerpts and transcripts.

(b) Such material shall be made available at the office of the recipient, at all reasonable times, for inspection, audit or reproduction, until the expiration of 3 years from the date of final payment under this award or for such longer period, if any, as is required by applicable statute. If any litigation, claim, negotiation, audit or other action involving the records has been started prior to the expiration of the 3 year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3 year period whichever is later.

(End of Clause)

### **Clause 4-4 REPORTING PROGRAM PERFORMANCE (BFAI 4.10) (Sep 04)**

(a) Frequency. Unusual events having a negative impact on the project should be reported to the Project Technical Representative (PTR) as soon as they are discovered. A progress report is due in (FAO insert specific requirements) covering the previous six months of effort. A final report on the project must be submitted no later than 90 days after completion of the project.

(b) Contents. The report should contain a comparison of the actual accomplishments to those planned for the period. If the project is not on schedule, a brief explanation of the reason is required. Unusual situations encountered which impacted the costs or effectiveness of the project should be identified and explained.

(c) Copies. Two copies of the reports required shall be submitted to the PTR.

(End of Clause)

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### **Clause 4-5 ADVANCE PAYMENT AND FINANCIAL REPORTING REQUIREMENTS (BFAI 4.10) (Sep 10)**

(a) Payments under this award will be made by advance payment by Vendor Express payment. Recipient requests for advances and recipient financial reporting requirements shall be made as follows:

(1) Advances. Advances for the anticipated needs of the project shall be made upon submission of Standard Form 270e, Request for Advance and Reimbursement by the applicant. Generally, advances should be submitted not more frequently than monthly, and each request should not be for more than 30 days cash requirements. An original and two copies should be submitted to the Project Technical Representative (PTR).

(2) Federal Cash Transactions Report, SF-425. This report shall be prepared and submitted to the PTR whenever an SF-425, Financial Status Report is submitted.

(3) Interim cost reports. Interim cost reports on SF-425, Financial Status Report (Short Form), shall be submitted to the PTR quarterly, within 30 days after the end of the reporting period.

(4) Excess Funds. A prompt refund shall be made if excess funds are drawn. Exceptions are allowed when funds will be disbursed within 7 calendar days or, if the excess is less than \$10,000 and will be disbursed within 30 calendar days. Any interest earned on advance funds must be promptly refunded (except for State governments and instrumentalities and Tribes.)

(5) Final cost report. A final cost report shall be submitted to the PTR within 90 days after the end of the effective period. It shall be submitted in the same format as the budget as awarded. The final cost report shall compare the amounts allocated in the award budget to the amounts expended for each budget element.

(End of Clause)

### **Clause 4-6 REIMBURSEMENT PAYMENT AND FINANCIAL REPORTING REQUIREMENTS (BFAI 4.10) (Sep 10)**

(a) Payment for services performed under this award will be reimbursed by Vendor Express payment after performance of the services. Recipient requests for reimbursements, and recipient financial reporting requirements shall be made as follows:

(1) Reimbursements. Standard Form 270e, Request for Advance and Reimbursement, shall be used when requesting reimbursement for costs incurred on the project. Requests should not be made more frequently than monthly. An original and two copies should be submitted to the Project Technical Representative (PTR).

(2) Interim cost reports. Interim cost reports on SF-425, Financial Status Report (short Form), shall be submitted to the Project Technical Representative (PTR) quarterly, within 30 days after the end of the reporting period.

(3) Final Cost Report. The final cost report shall be submitted to the PTR within 90 days after the end of the effective period. It shall be submitted in the same format as the budget as awarded. The final cost report shall compare the amounts allocated in the award budget to the amounts expended for each budget element.

(End of Clause)

# **BONNEVILLE FINANCIAL ASSISTANCE INSTRUCTIONS**

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### **Clause 4-7 ENVIRONMENTAL PROTECTION (BFAI 4.10) (Sep 04)**

The recipient shall insure that the facilities under its ownership, lease or supervision which will be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violation Facilities and that it will notify BPA of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

(End of Clause)

### **Clause 4-8 INDEMNIFICATION (BFAI 4.10) (Sep 10)**

The recipient agrees to hold BPA harmless against any direct or consequential damages claimed by the recipient or third parties arising from or related to Recipient's performance, during the period of this award.

(End of Clause)

### **Clause 4-9 ACKNOWLEDGMENT OF SUPPORT (BFAI 4.10) (Sep 10)**

Publication of the results of this award is encouraged. The recipient shall include in any article or other announcement that is published an acknowledgment that the project was supported, in whole or in part, by BPA (award number may be included), but that such support does not constitute an endorsement by BPA of the views expressed therein.

(End of Clause)

### **Clause 4-10 DISPUTES (BFAI 4.10) (Sep 04)**

(a) Except as otherwise provided in this award, any unresolved dispute concerning a question of fact arising under this award shall be decided by the Financial Assistance Officer (FAO), who shall reduce that decision to writing and mail, or otherwise furnish a copy thereof to the Recipient. The FAO's decision may be appealed to the BPA HCA. The decision of the BPA HCA shall be final and conclusive.

(b) This clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; provided, that nothing in this award shall be construed as making final the decision of any administrative official, representative, or board, based on a question of law.

(c) The use of alternate disputes resolution processes are encouraged, and may be used as negotiated between the parties.

(End of Clause)

### **Clause 4-11 TRAVEL (BFAI 4.10) (Sep 04)**

(a) Domestic travel may be an appropriate charge to this award, and prior authorization for specific trips is not required. In accordance with the applicable cost principles, reasonable, necessary, and allowable travel costs may be charged on an actual basis or per diem basis in lieu of actual costs incurred, provided the method used results in charges consistent with those normally allowed by the organization in its regular operations and travel is at less than business class common carrier fare, unless otherwise approved in advance by the Financial Assistance Officer.

# **BONNEVILLE FINANCIAL ASSISTANCE INSTRUCTIONS**

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(b) Foreign travel may be charged to this award without prior approval if detailed in the approved budget. If foreign travel is required, but not detailed in the approved budget, it must be approved in writing by the Financial Assistance Officer prior to beginning the travel. Foreign travel will be reimbursed on the same basis as domestic travel.

(End of Clause)

### **Clause 4-12 FINANCIAL ASSISTANCE OFFICER'S REPRESENTATIVE (BFAI 4.10) (Sep 04)**

The Financial Assistance Officer's Representative (FAOR) shall have all the rights, powers, and privileges of the Financial Assistance Officer necessary to the administration of the award: provided, however, that the FAOR is not empowered to execute modifications to the award, to make a final decision of any matter which would be subject to appeal, or to suspend or terminate for any cause the recipient's right to proceed.

(End of Clause)

### **Clause 4-13 PROJECT TECHNICAL REPRESENTATIVE (BFAI 4.10) (Sep 04)**

(a) The Project Technical Representative (PTR) is the authorized representative of the Financial Assistance Officer (FAO) for technical actions performed in relation to the award. This includes the functions of (1) review of work performed; and (2) interpretation of technical program requirements.

(b) The PTR is not authorized to act for the FAO in the following matters: (1) modifications that change the amount of award, technical requirements or time for performance; (2) suspension or termination of the recipient's right to proceed; and (3) final decisions on any matters subject to appeal.

(End of Clause)

### **Clause 4-14 FIELD REPRESENTATIVE (BFAI 4.10) (Sep 04)**

(a) The Field Representative (FR) will be appointed by Financial Assistance Officer (FAO) or the Project Technical Representative (PTR) and is authorized by the PTR for reviewing project accomplishments and recipient's technical reports, and interpretation of award requirements.

(b) The Field Representative (FR) is not authorized to act in the following matters: (1) modifications that change the award amount or general direction of the project; (2) suspension or termination of the recipient's right to proceed; (3) approval of financial requests and reports, and (4) final decisions on any matters subject to appeal.

(End of Clause)

### **Clause 4-15 COST REIMBURSEMENT BASIS (BFAI 4.10) (Sep 04)**

This award is funded on a cost reimbursement basis without fee or profit, not to exceed the amount awarded as indicated on the face page and is subject to a refund of unexpended funds to BPA.

(End of Clause)

### **Clause 4-16 BPA-FURNISHED EQUIPMENT OR MATERIAL (BFAI 4.10) (Sep 04)**

(a) The recipient hereby releases and agrees to hold BPA, or persons acting upon behalf of the BPA harmless for any and all liability of every kind and nature whatsoever resulting from the receipt, shipping, installation, operation, handling, condition, use and maintenance of the material furnished by BPA under this award.

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(b) Neither BPA nor persons acting on behalf of BPA make any warranty or other representation, express or implied that the material provided under this award will accomplish the results for which it is requested or intended.

(End of Clause)

### **Clause 4-17 SUSPENSION OR TERMINATION (BFAI 4.10) (Sep 04)**

(a) Definitions.

(1) "Suspension" is an action by BPA that temporarily suspends BPA support under the award pending corrective action by the Recipient or pending a decision by BPA to terminate the award.

(2) "Termination" means the cancellation of BPA sponsorship, in whole or in part, at any time prior to the date of completion.

(b) Suspension or Termination for cause.

(1) Notice of Suspension. Prior to issuing a suspension notice, efforts will be made by BPA and the recipient to informally resolve disagreements. If informal efforts fail, BPA may issue a notice of suspension that specifies the date on which the suspension will take effect. During the suspension, BPA may withhold further payment and prohibit the recipient from incurring additional obligations of funds pending corrective action by the recipient or a decision by BPA to terminate. BPA shall allow all necessary and proper costs that the recipient could not reasonably avoid during the period of suspension provided that they would otherwise be allowable.

(2) Notice of Termination for Cause. Prior to issuing a termination notice, efforts will be made by BPA and the recipient to informally resolve disagreements. If informal efforts fail, BPA may issue a notice of termination that will take effect as stated in the letter. The Financial Assistance Officer shall determine the severity of the violation that caused the termination for cause, and determine what costs are appropriate for reimbursement.

(c) Termination for convenience. BPA or the recipient may request that the award be terminated in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The recipient shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. BPA shall allow full credit to the recipient for the BPA share of the non-cancelable costs, properly incurred by the recipient prior to termination.

(d) Authority to issue notices. The Financial Assistance Officer is the only person authorized to suspend or terminate the award.

(End of Clause)

### **Clause 4-18 CHANGE OR ABSENCE OF THE PRINCIPAL INVESTIGATOR OR DESIGNATED KEY PERSONNEL (BFAI 4.10) (Sep 04)**

Since BPA funding of this project is based, to a significant extent, on the qualifications and level of participation of the Principal Investigator(s), or key personnel, a change of Principal Investigator(s), or key personnel, or their level of effort is considered a change in the approved project. The approval of BPA must be obtained prior to any change of the Principal Investigator or key personnel who have been identified as key personnel. In addition, any continuous absence of the Principal Investigator or key personnel in excess of 3 months, or plans for the Principal Investigator or key personnel to become substantially less involved in the project than was indicated in the approved application requires BPA prior approval. The recipient must

# **BONNEVILLE FINANCIAL ASSISTANCE INSTRUCTIONS**

## **Part 4 -- Selection and Award Process**

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contact the Financial Assistance Officer (FAO) immediately upon becoming aware that any of these changes are likely and must receive FAO approval before effecting any such change.

(End of Clause)

### **Clause 4-19 PAPERWORK REDUCTION (BFAI 4.10) (Sep 04)**

(a) This award is subject to the requirements of the Paperwork Reduction Act of 1996 as implemented by the Office of Management and Budget rules, "Controlling Paperwork Burdens on the Public," published at 5 CFR 1320 (47 FR 13666, 3-31-43) if the recipient will collect information from ten or more respondents either:

- (1) At the specific request of BPA, or
- (2) If the award requires specific BPA approval of the information collection or the collection procedures.

(b) A statement outlining proposed information collection under (a) above shall be submitted by the recipient to the Financial Assistance Officer named on the face page of this award at least 90 days prior to the intended date of information collection. BPA will seek the requisite approval from the Office of Management and Budget and will promptly notify the recipient of the disposition of the request.

(End of Clause)

### **Clause 4-20 NOTIFICATION TO OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS (BFAI 4.10) (Sep 04)**

The recipient is required by Title 41 of the Code of Federal Regulations, Chapter 60, Part 4, to notify the Office of Federal Contract Compliance Programs of any construction contract awarded under this financial assistance award. The proper OFCCP office to be notified can be determined by calling the Seattle Regional Office at (206) 398-8000.

(End of clause)

### **Clause 4-21 REQUIREMENT FOR AUDIT (BFAI 4.10) (JAN 13)**

The recipient shall comply with the provisions of OMB Circular A-133 and apply provisions of the circular concerning program levels requiring audits and audit scope. If an audit is required, a copy of the audit report shall be sent to the BPA Internal Audit Staff, Mail Stop DN-7, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208, and other distribution of the report as required by the circular

(End of Clause)

### **Clause 4-22 ENDANGERED SPECIES ACT REQUIREMENTS (BFAI 4.10) (SEP 04)**

(a) To the extent requested by BPA, the recipient shall:

- (1) Participate in consultations and conferences conducted under Section 7 of the Endangered Species Act (ESA);
- (2) Obtain, or assist BPA in obtaining permits under Section 10 of the ESA, and
- (3) Provide to BPA all information, materials, documents, records and other assistance requested by BPA for such consultations, conferences, or the acquisition of permits.

(b) The recipient shall not proceed with action/activities in this agreement until completion of requisite consultations and conferences and the acquisition of necessary permits. To the extent requested by BPA, the recipient shall comply with conditions identified during consultations and conferences and with the provisions of any requisite permit.

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(End of clause)

### Clause 4-23 PERSONAL PROPERTY MANAGEMENT (BFAI 4.10) (Sep 04)

(a) This clause provides guidance for the utilization and disposition of personal property furnished by BPA or acquired in whole or in part with BPA funds, or whose cost was charged to a project supported by BPA funds. Also see BPI Clause 19-1.

(b) BPA-owned personal property.

(1) The following BPA property will be provided for use in this award:

**FAO instruction:** List BPA property to be provided, or "None", as appropriate.

(2) Title remains vested in BPA. The recipient shall submit an annual reconciled physical inventory listing by October 1 of each year of such property in its custody to the PTR.

(3) Upon completion of the award, or when the property is no longer needed, the recipient shall provide an inventory of the property to BPA and request disposition instructions.

(c) Recipient-acquired personal property.

(1) When the recipient acquires personal property using BPA funds, in whole or in part, title vests with the recipient.

(2) BPA will request the recipient to transfer title to the following property at the end of the project:

**FAO Instruction:** List the property which BPA will require to be transferred, or "NONE" if none will be required to be transferred.

(3) BPA reserves the right to transfer title to the property listed below to itself or a third party at the completion of the project.

**FAO Instruction:** List the property which BPA is reserving the right to transfer title here. If there is none, and all property is to be retained by the recipient, insert "NONE".

(4) If BPA does not provide disposition instructions for property identified in (b)(3) within 120 days of the end of the project, BPA relinquishes the right to transfer title and the recipient may retain the property, or dispose of it as appropriate.

(5) BPA does not reserve the right to transfer title to the following personal property. The recipient may retain, use or dispose of this property.

**FAO Instruction:** List the property which BPA does not wish to retain the right to transfer title, or "None", as appropriate.

(6) The recipient shall submit a reconciled physical inventory listing by October 1 every second year of the award of personal property in its control.

(d) Property Management Standards for property which BPA will, or reserves the right to, require the transfer of title at the conclusion of the award:

(1) Property records shall be maintained which include a description of the property, source of property, including award number, acquisition date, location, use and condition of the property and the date the information was reported, unit acquisition cost, ultimate disposition of property, and date of disposition.

(2) The recipient shall maintain a system to insure adequate safeguards to prevent loss, damage, or theft of the property.

(3) The recipient shall follow adequate maintenance procedures to keep the property in good condition.

# BONNEVILLE FINANCIAL ASSISTANCE INSTRUCTIONS

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(End of Clause)

### **Clause 4-24 PERSONAL PROPERTY MANAGEMENT -- STATE GOVERNMENTS (BFAI 4.10) (Sep 04)**

(a) This clause provides requirements for the utilization and disposition of personal property furnished by BPA or acquired in whole or in part with BPA funds, or whose cost was charged to a project supported by BPA funds.

(b) BPA-owned personal property.

(1) The following BPA property will be provided for use in this award:

(a) List of BPA property to be provided, or "None", as appropriate.

(2) Title remains vested in BPA. The recipient shall submit an annual reconciled physical inventory listing by October 1 of each year of such property in their custody to the PTR.

(3) Upon completion of the project or when the property is no longer needed, the recipient shall report the property to BPA and request disposition instructions.

(4) The recipient shall maintain a system to insure adequate safeguards to prevent loss, damage, or theft of the property.

(5) The recipient shall follow adequate maintenance procedures to keep the property in good condition.

(c) Personal property acquired with BPA funds. Title to such property is vested in the recipient, and the property is not subject to further review or control by BPA. The recipient is required to manage that property in the same manner as other recipient-owned property is managed.

(End of Clause)

### **Clause 4-25 BPA PROPERTY TO BE GRANTED (BFAI 4.10) (Sep 04)**

The following BPA property is granted to the recipient for use in the work supported by this award. Title to property vests with the recipient upon their receipt of the property. The recipient shall submit an annual reconciled physical inventory listing by October 1 of each year of such property in its custody to the PTR. Following completion of the project and submission of the final report, if one is required, the recipient is relieved of accountability for the property.

**FAO Instruction:** List all property to be given to the recipient.

(End of Clause)

### **Clause 4-26 BUDGET CHANGES AND LINE ITEM TRANSFERS (BPI 4.10) (Sep 04)**

If unanticipated project needs arise, the recipient is authorized to make budget line item transfers not exceeding ten per cent of the total approved budget (or Financial Assistance Officer (FAO) may change this to "current year's budget" as appropriate to the transaction). Reallocation of funds exceeding this amount must have the prior written approval of the FAO. The recipient shall send a written request for such budget changes to the FAO through the Project Technical Representative. The FAO will respond to the request within 30 days.

Recipients or sub-recipients shall obtain prior approval whenever any of the following changes are anticipated:

(a) Changes in the scope or the objective of the project or program that will require a budget revision.

(b) The need for additional funding.

(End of clause)

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### **Clause 4-27 INCREMENTAL FUNDING (BPI 4.10) (Sep 04)**

This project is not fully funded at the time of the award. It is anticipated that further BPA funding will be provided on an incremental basis. If funds are not available for any reason, BPA shall be under no obligation to provide funding for any additional portion of the project. If BPA does not fund the balance of the effective period, the award will be terminated when the funds committed by BPA have been expended.

(End of Clause)