

**BOARD OF TRUSTEES
AGENDA**

<input type="checkbox"/>	Workshop	<input type="checkbox"/>	Regular	<input type="checkbox"/>	Special
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(A) **Report Only** **Recognition**

Presenter(s):

Briefly describe the subject of the report or recognition presentation.

(B) **Action Item**

Presenter(s): MR. GILBERTO GONZALEZ, SUPERINTENDENT OF SCHOOLS

Briefly describe the action required.

CONSIDER AND TAKE APPROPRIATE ACTION ON THE REQUEST TO APPROVE THE MIDDLE RIO GRANDE DEVELOPMENT COUNCIL'S SOLID WASTE GRANT INTERLOCAL AGREEMENT – SOURCE REDUCTION AND RECYCLING.

(C) **Funding source: Identify the source of funds if any are required.**

(D) **Clarification: Explain any question or issues that might be raised regarding this item.**

Middle Rio Grande Development Council
SOLID WASTE GRANT INTERLOCAL AGREEMENT
Source Reduction & Recycling
14-24-G04

Middle Rio Grande Development Council, hereinafter called "MRGDC" has received a grant through a contract with the Texas Commission on Environmental Quality, hereinafter called "TCEQ" which authorizes MRGDC to redistribute solid waste fees to support local and regional solid waste projects that are consistent with the regional solid waste management plan. This interlocal agreement is a subcontract of the MRGDC's contract with the TCEQ. Funds for this agreement come from Solid Waste Disposal and Transportation Fees.

The MRGDC and the SUBCONTRACTOR certify that they have authority to perform the services contracted for by authority granted in The Interlocal Cooperation Act," Texas Government Code, Chapter 791.

This Interlocal Agreement is entered into by and between the parties named below. Neither TCEQ nor the State of Texas is a party to this Contract.

I. CONTRACTING PARTIES:

The Council of Governments:**Middle Rio Grande Development Council**

The SUBCONTRACTOR: **Eagle Pass Independent School District**

II. CONTRACT ADMINISTRATION PROVISIONS:

See "Attachment A - General Contract Provisions" & "Attachment B - Special Contract Provisions"

III. BUDGET AND PAYMENT PROCEDURES:

See "Attachment C - SUBCONTRACTOR Budget and Authorizations"

COUNCIL OF GOVERNMENTS

SUBCONTRACTOR

Middle Rio Grande Development Council

Eagle Pass ISD

Leodoro Martinez Jr.
Executive Director

Gilberto Gonzalez
Superintendent

Date: _____

Date: _____

**Middle Rio Grande Development Council
Solid Waste Grant Interlocal Agreement**

**General Contract Provisions
Attachment A**

Article 1 Legal Authority

The SUBCONTRACTOR and MRGDC shall conduct the activities funded under this agreement in accordance with all provisions of this agreement, including all applicable state and local laws, rules, regulations, and guidelines. The main governing standards include, but may not be limited to the following:

- (1) §361.014, TEX. HEALTH & SAFETY CODE;
- (2) §330.569 of the TCEQ Municipal Solid Waste Regulations (30 TAC Chapter 330); and
- (3) The Uniform Grant and Contract Management Act, TEX. GOVT CODE, §783.001 et. seq., and the Uniform Grant and Contract Management Standards, 1 Texas Administrative Code (TAC), §5.141 et. seq. (collectively, UGCMA).

Article 2 Scope of Services

The services to be performed by the SUBCONTRACTOR are outlined in the General Contract Provisions (Attachment A), Special Contract Provisions (Attachment B), Schedule of Deliverables from SUBCONTRACTOR (Attachment C), SUBCONTRACTOR Budget and Authorizations (Attachment D), and any Change Orders, which are later incorporated into and made a part of this Agreement, as if set out word-for-word this Contract (Agreement).

Article 3 Responsibility of the Subcontractor

- (a) The SUBCONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all services and other work furnished by the SUBCONTRACTOR under this Agreement, as set forth in Attachment C of this Agreement.
- (b) The SUBCONTRACTOR shall perform such services as may be necessary to accomplish the work required to be performed under this Agreement, in accordance with the MRGDC and contractual requirements and any and all applicable law.
- (c) All contractual expenditures using funds provided under this Agreement shall meet all procurement laws and regulations applicable to the SUBCONTRACTOR and their subcontractors and the Uniform Grant and Contract Management Act and the Uniform Grant Management Standards. Note that competitive bidding will generally be required.
- (d) The SUBCONTRACTOR shall be responsible for the management and fiscal monitoring of all of their subcontractors and subgrantees. The SUBCONTRACTOR shall monitor its subcontractors and subgrantees as necessary to ensure that their subcontractors and subgrantees are operating consistently with applicable laws and regulations, applicable contracting policies, and this Agreement. The SUBCONTRACTOR shall ensure that their subcontractors and

subgrantees comply with all record keeping and access requirements set forth in this Agreement. The MRGDC reserves the right to perform an independent audit of all SUBCONTRACTORS subcontractors and subgrantees. The SUBCONTRACTOR, SUBCONTRACTORS subcontractors and SUBCONTRACTORS subgrantees shall maintain detailed records.

Article 6 Licenses, Permits and Laws

The SUBCONTRACTOR shall, except as otherwise provided in this Agreement, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal, State, and municipal laws, codes, ordinances, and regulations, in connection with the work required by this Agreement.

Article 7 Release of Claims

Upon satisfactory completion of the work performed hereunder and prior to final payment under this Agreement for such work, or prior to settlement upon termination of this Agreement and as a condition to final payment/settlement, the SUBCONTRACTOR shall execute and deliver to the MRGDC a release of all claims against the MRGDC arising under or by virtue of this Agreement.

Article 8 Insurance and Liability

SUBCONTRACTOR shall maintain insurance coverage for work performed or services rendered under this contract as specified in the Special Provisions. SUBCONTRACTOR understands and agrees that it shall be liable to repay and shall repay upon demand to MRGDC any amounts determined by MRGDC, its independent auditors, or any agency of state or federal governments to have been paid in violation of the terms of this Agreement.

Article 9 Audit/Access to Records

(a) The SUBCONTRACTOR shall maintain and make available for review, inspection and/or audit books, records, documents, and other evidence reasonably pertinent to performance on all work under this Agreement, including negotiated changes or amendments thereto, in accordance with accepted professional practice, appropriate accounting procedures and practices at the SUBCONTRACTOR's office. The SUBCONTRACTOR shall also maintain and make available at its Texas office the financial information and data used by the SUBCONTRACTOR or its designee (including independent financial auditors) in the preparation or support of any cost submission or cost (direct and indirect), price or profit analysis for this Agreement or any negotiated subagreement or change order and a copy of the cost summary submitted to MRGDC. The MRGDC, Texas State Auditor's Office, or any of MRGDC's duly authorized representatives, shall have access to such books, records, documents, and other evidence for the purpose of review, inspection and/or audit. During the conduct of any such review, audit or inspection, SUBCONTRACTOR's books, records, and other pertinent documents may, upon prior conference with the SUBCONTRACTOR, be copied by the MRGDC or any of its duly authorized representatives. All such information shall be handled by the parties in accordance with good business ethics. The SUBCONTRACTOR shall provide proper facilities within the State of Texas for such access and inspection.

(b) Records under Section (a) of this Article shall be maintained and made available during the entire period of performance of this Agreement and until three (3) years from date of final MRGDC payment for the project. In addition, those records which relate to any dispute, litigation, or the settlement of claims arising out of such performance, or costs or items to which an audit exception has been taken shall be maintained and made available until completion of such action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.

Article 12 Independent Financial Audit

The SUBCONTRACTOR shall adhere to the Single Audit requirements of the UGCMA. The SUBCONTRACTOR shall deliver to the MRGDC each audit report within thirty (30) days of completion of the audit report. The SUBCONTRACTOR is responsible for including the Single Audit requirements in all subagreements and shall be responsible for insuring adherence to those requirements by all subgrantees and subcontractors.

Article 13 Changes

(a) A Major Change will include one or more of the following:

- (1) an increase or decrease in the amount of compensation to the SUBCONTRACTOR;
- (2) an extension or shortening of the term of the Agreement;
- (3) a significant change in the scope of the Agreement or the services to be performed; or
- (4) any action that is beyond the authority of the Executive Director or the Project Representative of the MRGDC.

(b) Implementation of a Major Change must be preceded by a formal written amendment to the Agreement. The amendment must contain a description of the proposed change. The amendment must be signed by persons authorized to bind each party in contract. Any amendment that will exceed the contractual authority of the Executive Director of the MRGDC also requires the consent, at Agenda, of a majority of the MRGDC Governing Board.

(c) Any proposed change that is not a Major Change may qualify as a Minor Change. In addition, a delay or change in the work resulting from inclement weather will be treated as a Minor Change. A Minor Change shall require the written agreement of both Project Representatives, but does not require a formal amendment to the contract. A copy of the authorization must be retained in the appropriate file of both the SUBCONTRACTOR and the MRGDC.

(d) Any alterations, additions, or deletions to the terms of this contract which are required by changes in Federal law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation, provided if the SUBCONTRACTOR may not legally comply with such change, SUBCONTRACTOR may terminate its participation herein as authorized by Article 14.

(e) MRGDC may, from time to time, require changes in the Scope of the Services of the SUBCONTRACTOR to be performed under this Agreement. Such changes that are mutually agreed upon by and between MRGDC and the SUBCONTRACTOR in writing shall be incorporated into this Agreement.

Article 14 Termination

(a) This Agreement terminates upon full performance of all requirements contained herein, unless extended in writing.

(b) This Agreement may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligation under this Agreement through no fault of the terminating party. Failure on the part of the SUBCONTRACTOR to comply with the conditions set forth in the agreement shall be the basis for termination of the agreement and/or the revocation of any unexpended or inappropriately expended funds. Provided that no such termination may be effected unless the other party is given:

- (1) not less than ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate; and
- (2) an opportunity for consultation with the terminating party prior to termination.

(c) This Agreement may be terminated in whole or in part in writing by the MRGDC for its convenience: Provided that the SUBCONTRACTOR is given not less than ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate.

(d) If termination for default under Section (b) of this Article or termination for convenience under Section (c) of this Article is effected by the MRGDC, any payment due the SUBCONTRACTOR at the time of termination may be adjusted to the extent of any additional costs occasioned to the MRGDC by reason of the SUBCONTRACTOR's default. The equitable adjustment for any termination shall provide for payment to the SUBCONTRACTOR for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by the SUBCONTRACTOR relating to commitments which had become firm prior to the termination.

Article 15 Severability

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

Article 17 Equal Opportunity and Affirmative Action

The SUBCONTRACTOR shall agree that in the performance of this Contract, it will not discriminate against any employee or applicant because of race, religion, color, sex, age, or national origin and it will comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (Title 41 CFR Part 60). The SUBCONTRACTOR assures that no person will, on the grounds of race, creed, color, handicap, national origin, sex, political affiliation or beliefs, be excluded from, be denied the benefit of, or be subject to discrimination under any program or activity funded in whole or part under this Contract.

Article 18 ADA Requirements

The SUBCONTRACTOR shall comply with all applicable requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 - 12213.

Article 19 Utilization of Small, Minority, and Women's Business Enterprises

The SUBCONTRACTOR agrees that qualified Historically Underutilized Businesses (HUB's) shall have the maximum practicable opportunity to participate in the performance of this Agreement.

Article 20 Energy Efficiency Standards

The SUBCONTRACTOR shall follow standards and policies on energy efficiency, which are contained in the Texas State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

Article 21 Acknowledgment of Financial Support

The SUBCONTRACTOR shall acknowledge the financial support of the TCEQ and MRGDC whenever work funded, in whole or part, by this Agreement is publicized or reported in news media or publications. All reports and other documents completed as a part of this Agreement, other than documents prepared exclusively for internal use within the MRGDC, shall carry the following notation on the front cover or title page:

Example:

*PREPARED IN COOPERATION WITH THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY*

OR

The preparation of this report was financed through grants from the State of Texas through the Texas Commission on Environmental Quality.

Article 22 Data and Publicity

All data and other information developed under this Agreement shall be furnished to the MRGDC and shall be public data and information, except to the extent that it is exempted from public access by the Texas Open Records/Public Information Act, TEX. GOV'T CODE 552. Upon termination of this Agreement, all copies of data and information shall be furnished, at no charge to the MRGDC, upon request, to include data bases prepared using funds provided under this Agreement, and become the property of the MRGDC. Except as otherwise provided by the Agreement or the Act, the SUBCONTRACTOR shall not provide data generated or otherwise obtained in the performance of its responsibilities under this Agreement to any party other than the MRGDC, State of Texas, and its authorized agents.

Article 23 Hazardous Substances, Waste Disposal, and Manifests

The SUBCONTRACTOR and their subcontractors and subgrantees must comply with all applicable Laws and Regulations, including but not limited to those relating to hazardous substances, waste disposal, and manifests.

Article 24 Statues Relating to Nondiscrimination

The SUBCONTRACTOR shall comply with all applicable state and federal statues relating to nondiscrimination which include, but are not limited to, those listed in the Uniform Grant Management Standards.

Article 25 Oral and Written Agreements

All oral or written agreements between the parties hereto relating to the subject matter of this Contract which were developed and executed prior to the execution of this Contract have been reduced to writing and are contained in this Agreement.

Article 26 Safety and Protection

Where applicable, the SUBCONTRACTOR shall be responsible for requiring its subcontractor and subgrantees to maintain and supervise all necessary safety precaution and programs in connection with the work. The SUBCONTRACTOR shall take all necessary safety precautions.

Article 27 Force Majeure

To the extent that either party to this Agreement is wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through decrees of or restraints by a government instrumentality, acts of God (except that rain, wind, flood or other natural phenomena normally expected for the locality shall not be construed as an act of God), work stoppages due to labor disputes or strikes, fires, explosions, epidemics, riots, war, rebellion, and sabotage, in such event, the time for the performance of such obligation or duty shall be suspended until the disability to perform is removed. Determination of force majeure shall rest solely with the MRGDC.

No time extension shall be granted under this Article unless the party seeking relief has notified the other in writing within a reasonable time after commencement of the event, of the anticipated length and cause of delay, the measures taken or to be taken to minimize the delay, and the timetable by which the SUBCONTRACTOR intends to implement these measures. The party seeking relief shall also give written notice of the ending of the event within a reasonable time after the event has ended.

Article 28 Entire Contract

This Agreement, including Attachments A, B, C, D, and application submitted represents the entire Contract between the contracting parties and supersedes any and all prior contracts between the parties, whether written or oral.

**Middle Rio Grande Development Council
Solid Waste Grant Interlocal Agreement**

**Special Contract Provisions
Attachment B**

Article 1 Period of Performance

The period of performance of this agreement begins on **February 15, 2014** and ends on **August 31, 2015**.

Article 2 Scope of Services

(a) All parties agree that the SUBCONTRACTOR, in consideration of compensation described in this Attachment and SUBCONTRACTOR Budget and Authorizations (Attachment D of this Agreement), shall provide the services with MRGDC as specifically described in the application submitted by SUBCONTRACTOR (Attachment C of this Agreement) and Schedule of Deliverables from SUBCONTRACTOR (Attachment D of this Agreement).

(b) The SUBCONTRACTOR agrees to implement the Project according to the agreed upon budget shown in Attachment D of this agreement.

Article 3 MRGDC Obligations

(a) Measure of Liability

In consideration of full and satisfactory performance hereunder, MRGDC will be liable to SUBCONTRACTOR in an amount equal to the actual costs incurred by SUBCONTRACTOR in rendering such performance, subject to the following limitations:

1. MRGDC is not liable for expenditures made in violation of "General Provisions for Texas Commission on Environmental Quality's Standards Applicable to Implementation Projects and Supplemental Funding Standards", as described in Articles 8 and 9 of this Agreement, which outline prohibited activities as defined by the Texas Commission on Environmental Quality (TCEQ).
2. MRGDC is not liable for any costs incurred by SUBCONTRACTOR in the performance of this agreement, which have not been billed to MRGDC within thirty (30) days following termination of this agreement.
3. MRGDC is not liable to SUBCONTRACTOR for costs incurred or performance rendered by SUBCONTRACTOR for costs incurred by SUBCONTRACTOR before commencement of this agreement or after termination of this agreement.
4. Except as specifically authorized by MRGDC in writing, MRGDC is liable only for expenditures made in compliance with the cost principles and administrative requirements set forth in Federal OMB Circular A-87.
5. All representations, indemnifications, warranties, and guarantees made in, required by or given in accordance with the Agreement, as well as all continuing obligations

indicated in the Agreement, will survive final payment, completion of the work and termination or completion of the Agreement.

(b) Method and Schedule of Payment

1. Payments: Payments to pass-through grant recipients may be made only on a reimbursement basis. Upon review and approval of each financial report, MRGDC will make payment to SUBCONTRACTOR against MRGDC liabilities to be accrued hereunder.

2. SUBCONTRACTOR may account for expenses incurred and request reimbursement of outlays under either a cash or an accrual basis, as defined and authorized under the UGCMA. To be eligible for reimbursement under this Agreement, a cost must have been incurred and either paid by the SUBCONTRACTOR prior to claiming reimbursement from the MRGDC or incurred by the last day of the time period indicated on a request for reimbursement form and liquidated no later than forty-five (45) days after the end of that time period.

3. Financial reporting: The MRGDC shall provide financial status report forms and supplemental forms to be submitted by SUBCONTRACTOR at least quarterly and/or with each request for reimbursement to itemize expenditures by budget category. Allowable expenditures are set forth in Articles 8 and 9 of this Agreement. The MRGDC shall review all materials provided by the SUBCONTRACTOR with a request for reimbursement, and shall not make a reimbursement payment unless all required items have been provided and are deemed to be accurate.

4. In general, expenditure documentation to be maintained by the SUBCONTRACTOR (but not necessarily submitted to the MRGDC with each Financial Status Report) should be whatever is necessary to show that the work was indeed performed and that the expense was, in fact, incurred. In addition, the documentation should also support the fact that the expenditure was reasonable and necessary to this Agreement.

5. Documents that should be maintained, as appropriate for the expense, include by category, the records listed below.

- | | |
|-----------------|---|
| a. SALARY/WAGES | Time sheets that have been signed and approved. |
| b. TRAVEL | Documentation, which, at a minimum, is consistent with State Travel Regulations. The purpose of the travel should be documented and supported with actual receipts for hotel accommodations, public transportation receipts, airline receipts, etc. |
| c. EQUIPMENT | Purchase orders, invoices, and canceled checks. |
| d. SUPPLIES | Purchase orders (if issued), invoices, receipts, and canceled checks. |
| e. SUBCONTRACTS | Copy of subcontract, plus documentation that all costs incurred under the contract were reasonable |

and necessary. The subcontractor shall be required to maintain the documents for each category of expenses listed in this Subsection.

f. CONSTRUCTION All applicable documentation required for Equipment, Salary, Supplies and Subcontractors.

g. OTHER Purchase orders, invoices, receipts, and canceled checks.

6. All expenditures under the equipment, construction, or subcontract budget categories must be approved in advance by the MRGDC. Further, for any "other" category expenses not specifically spelled out in this interlocal contract, the contract shall require that the SUBCONTRACTOR obtain prior written approval from MRGDC for that expense.

7. Travel Expenses. Reimbursement of travel expenses for out-of-state travel, except where such travel is specifically authorized in writing by the MRGDC, is prohibited. Prior to authorizing any out-of-state travel by a pass-through grant recipient, the MRGDC must obtain written approval from the TCEQ to provide such authorization.

8. If requested by the MRGDC, the SUBCONTRACTOR agrees to provide to the MRGDC the additional expense records and documentation materials, as listed in Subsection 5 of this Article, and appropriate for the expense, for the time period requested by the MRGDC, except that the SUBCONTRACTOR will not be asked to submit records that have already been provided to the MRGDC with a Financial Status Report. The MRGDC will provide reasonable time for the SUBCONTRACTOR to comply with a request for additional records. If the MRGDC requests to review additional records to be provided by the SUBCONTRACTOR under the MRGDC's financial monitoring program, the MRGDC will review those records and provide the SUBCONTRACTOR a written summary of the findings of that review. The MRGDC will also allow the SUBCONTRACTOR reasonable time to respond to any findings of noncompliance or other problems identified by the records review.

9. The MRGDC shall not reimburse or otherwise make payment to SUBCONTRACTOR for an expenditure that is not authorized under this Agreement. If it is determined, by either the MRGDC or the TCEQ that an expenditure that was reimbursed is not an authorized expense, the MRGDC shall request return and reimbursement of those funds from the grant recipient or, where appropriate, the application of those funds to other authorized expenses, and shall not provide any additional reimbursements to the pass-through grant recipient until the funds are returned or are applied to other authorized expenses.

10. The SUBCONTRACTORS contractual costs must comply with allowable costs requirements. SUBCONTRACTORS which are governmental entities must engage in contractor selection on a competitive basis in accordance with their established policies. If SUBCONTRACTOR has no competitive procurement policy or is a private entity, SUBCONTRACTOR must generally select contractors by evaluation and comparison of price, quality of goods or services and past performance. All subgrants awarded by the SUBCONTRACTOR under this Agreement shall be in accordance with Subpart C,

Sec. 37, Subsection (b) of the State Uniform Administrative Requirements for Grants and Cooperative Agreements as set forth in Part III of the Uniform Grant Management Standards adopted by the Governor's Office of Budget and Planning.

(c) SUBCONTRACTOR Close Out Report

No later than thirty (30) days following the termination of this agreement, SUBCONTRACTOR must submit a MRGDC Contract Close Out Report according to written instructions from MRGDC.

Article 4 **REPORTING REQUIREMENTS**

(a) The SUBCONTRACTOR shall prepare and submit to the MRGDC, a **quarterly** written progress report concerning performance under this Contract. Such progress reports shall document accomplishments and units of work performed under Attachment D of this agreement including program results. All progress reports shall be submitted within 7 days after the end of each **quarterly** period so that MRGDC may submit a consolidated report to TCEQ within 20 days. A final progress report shall be provided prior to the final request for payment under this Contract, but, in no case later than 30 days after the end of the Contract period. Payments (reimbursements) required under this contract may be withheld by the MRGDC until such time as any past due progress reports are received.

(b) The SUBCONTRACTOR **quarterly** progress reports required under Section (a) of this Article contain descriptions of activities and costs for the MRGDC to ensure that the provisions of this Contract are being complied with. The SUBCONTRACTOR shall comply with any reasonable request by the MRGDC for additional information on activities conducted in order for the MRGDC to adequately monitor the SUBCONTRACTOR's progress in completing the requirements of and adhering to the provisions of this Contract. The SUBCONTRACTOR shall certify in writing to the MRGDC, through a final progress report, the satisfactory completion of all activities and deliverables required under the pass-through grant agreement.

(c) The SUBCONTRACTOR shall provide the MRGDC with follow-up results information on a schedule established by the MRGDC, to include a report or reports sufficient to allow the MRGDC to provide the TCEQ a report in September 2016 on the continued results of the project funded under this Agreement. In addition, the SUBCONTRACTOR shall continue to document, as appropriate to the type of project, the results of the project activities for the life of the program or activity.

(d) **The SUBCONTRACTOR's failure to comply with the requirements of this Article constitutes a breach of this Contract.**

Article 5 Monitoring Requirements

(a) MRGDC may periodically monitor SUBCONTRACTOR for:

1. The degree of compliance with the terms of this Contract, including compliance with applicable rules, regulations, and promulgations referenced herein; and
2. The administrative and operational effectiveness of the project.

(b) MRGDC shall conduct periodic analysis of SUBCONTRACTOR'S performance under this Contract for the purpose of assessing the degree to which contractual objectives and performance standards, as identified in this Contract or as subsequently amended, are achieved by SUBCONTRACTOR.

Article 6 Title to and Management of Real Property and Equipment

Subject to the obligations and conditions set forth in this Agreement, title to real property and equipment (together hereafter referred to in this Article as property) acquired from funds provided under this Agreement by the SUBCONTRACTOR shall vest upon acquisition or construction in the SUBCONTRACTOR. All parties agree that upon full performance of this Contract, title shall remain with the SUBCONTRACTOR, provided however, that if this Contract is terminated, due to substantial failure by the SUBCONTRACTOR to fulfill its obligations under this Contract, title and physical possession of all equipment and constructed fixtures shall, upon written notification from MRGDC, be transferred in good condition and within five (5) working days to MRGDC.

(a) Subject to the provisions of this Agreement and as otherwise provided by state statutes, property acquired or replaced under this Agreement shall be used for the duration of its normally expected useful life to support the purposes of this Agreement whether or not the original projects or programs continue to be supported by MRGDC funds.

(b) The SUBCONTRACTOR shall not grant or allow to a third party a security interest in any original or replacement property purchased or constructed with funds made available to the SUBCONTRACTOR under this Agreement.

(c) The use of property acquired under this Agreement, both during the term of this Agreement and for the useful life of the property, shall be in accordance with Section 361.014(b) of the TEX. HEALTH & SAFETY CODE, which directs that a project or service funded under this program must promote cooperation between public and private entities and may not be otherwise readily available or create a competitive advantage over a private industry that provides recycling or solid waste services.

(d) The SUBCONTRACTOR may develop and use their own property management systems, which must conform with all applicable federal, state, and local laws, rules and regulations. If an adequate system for accounting is not in place or is not used properly, the Property Accounting System Manual issued by the State Comptroller of Public Accounts will be used as a guide for establishing such a system. The property management system used by the SUBCONTRACTOR must meet the requirements set forth in this Section.

(I) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of the property, who holds title, the acquisition date, and the cost of the property, percentage of state participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(II) A physical inventory of all equipment acquired or replaced under this Agreement shall be conducted no less frequently than once every two years and the results of such inventories reconciled with the appropriate property records. Property control procedures utilized by the SUBCONTRACTOR shall include adequate safeguards to prevent loss,

damage, or theft of the acquired property. Any loss, damage, or theft shall be investigated. The SUBCONTRACTOR shall develop and carry out a program of property maintenance as necessary to keep both originally acquired and any replaced property in good condition, and to utilize proper sales procedures to ensure the highest possible return, in the event such property is sold.

(III) Certain types of equipment are classified as controlled assets and are subject to annual revision. In accordance with the UGMS, the SUBCONTRACTOR should contact the Texas Comptroller of Public Accounts property accounting staff or review the Comptrollers State Property Accounting User Manual available on the Internet, for the most current listing. Firearms shall be maintained on the SUBCONTRACTORS inventory system irrespective of cost, and the following equipment with costs between \$500 and \$1,000 shall be maintained on the inventory system: (1) stereo systems, (2) still and video cameras, (3) facsimile machines, (4) VCRs and VCR/TV combinations and (5) cellular and portable telephones.

(e) The SUBCONTRACTOR may for the purpose of replacing property acquired under this Agreement, either trade in or sell the property and use the proceeds of such trade-in or sale to offset the cost of acquiring needed replacement property.

(f) The SUBCONTRACTOR agrees that if a determination is made that any property acquired with funds provided under this Agreement with a current per-unit fair market value of \$1,000 or more is no longer needed for the originally authorized purpose, the MRGDC has the right to require disposition of the property by the SUBCONTRACTOR in accordance with the provisions of this Article.

(g) When, during the useful life of property acquired with grant funds under this Agreement by the SUBCONTRACTOR and with current per-unit fair market value of \$1,000 or more, the property is no longer needed for the originally authorized purpose, the SUBCONTRACTOR agrees to request disposition instruction form the MRGDC or, if the MRGDC is no longer administering a Regional Solid Waste Grants Program, the TCEQ. Disposition instructions shall solicit, at a minimum, information on the source and amount of funds used in acquiring the property, the date acquired, the fair market value and how the value was determined (e.g., by appraisal, bids, etc.), and the proposed use of the proceeds. The assessment of whether to authorize the proposed disposition of the property must include a determination that disposition will comply with the private industry provisions of §361.014(b) of the TEXAS HEALTH & SAFETY CODE ANN. In cases where the SUBCONTRACTOR fails to take appropriate disposition actions, the MRGDC may direct the SUBCONTRACTOR to take excess and disposition actions. The dispositions may provide for one of the alternatives as set forth in this Section.

(I) Retain title, sell, or otherwise disposed of with no obligation to compensate the MRGDC.

(II) Retain title after compensating the MRGDC. If the MRGDC is compensated by the SUBCONTRACTOR for property acquired using funds provided under this Agreement, the MRGDC will in turn compensate the TCEQ or, upon authorization by the TCEQ, use those funds for other projects or activities that support this or similar future programs conducted by the MRGDC. The amount due will be computed by applying the

percentage of state-funded participation in the cost of the original purchase to the fair market value of the property.

(III) Sell the property and compensate MRGDC. If the MRGDC is compensated by the SUBCONTRACTOR for property acquired using funds provided under this Agreement, the MRGDC will in turn compensate the TCEQ or, upon authorization by the TCEQ, use those funds for other projects or activities that support this or similar future programs conducted by the MRGDC. The amount due will be calculated by applying the MRGDC's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the grant is still active the net proceeds from sale may be offset against the original cost of the property. When the SUBCONTRACTOR is directed to sell the property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(IV) Transfer title to the MRGDC or to a third-party designated/approved by the MRGDC. If the SUBCONTRACTOR participated financially in the original purchase, the SUBCONTRACTOR may be authorized payment from the receiving party of an amount calculated by applying the percentage of the participation in the original purchase of the property to the current fair market of the property.

(h) Items of property with a current per-unit fair market of less than \$1,000 may be retained, sold or otherwise disposed of by the SUBCONTRACTOR with no further obligation to the MRGDC. Methods used to determine per-unit fair market value must be documented, kept on file and made available to the MRGDC upon request.

(i) The MRGDC shall include provisions in its Interlocal Agreements to implement and enforce the provisions of this Article.

Article 7 Compliance with Applicable Laws

The SUBCONTRACTOR shall give all notices and comply with all laws, ordinances, rules, regulations and order of any public authority bearing on the performance of this contract, including, but not limited to, the laws referred to in this Contract. If the SUBCONTRACTOR or MRGDC observes that this Contract is at variance therewith in any respect, the observing party shall promptly notify the other party in writing, and any necessary changes shall be adjusted by appropriate Contract modification. On request, the SUBCONTRACTOR shall furnish MRGDC modification. If the SUBCONTRACTOR performs any work knowing or having reason to know that it is contrary to Laws or Regulations, the SUBCONTRACTOR shall bear all claims, costs, losses and damages caused by arising out of or resulting therefor.

Article 8 Standards of Solid Waste Implementation Project

Source Reduction and Recycling

8.7 Any program or project funded under this Agreement with the intent of demonstrating the use of products made from recycled and/or reused materials shall have as its primary purpose the education and training of residents, governmental officials, private entities, and others to encourage a market for using these materials.

Educational and Training Projects

8.8 Educational and training programs and projects funded under this Agreement must be primarily related to the management of municipal solid waste, and funds applied to a broader education program may only be used for those portions of the program pertaining to municipal solid waste.

Article 11 Conflict of Interest

The SUBCONTRACTOR shall notify the MRGDC immediately upon discovery of any potential or actual conflict of interest. The SUBCONTRACTOR agrees that the MRGDC and/or the TCEQ have sole discretion to determine whether a conflict exists and that the MRGDC and/or the TCEQ may terminate the Agreement at any time, on the grounds of actual or apparent conflict of interest.

a. *Notice of Conflict of Interest:* The SUBCONTRACTOR shall notify the MRGDC in writing or any actual, apparent, or potential conflict of interest regarding any individual performing or having access to information regarding the work. As applicable, the notification shall include both organizational conflicts or interest and personal conflicts of interest. Any individual with a personal conflict of interest shall be disqualified from taking part in any way in the performance of any work that created the conflict of interest.

Article 12 Authorized Representatives

(a) The SUBCONTRACTOR shall ensure that it's Project Representative, or his or her delegate, is available at all times for consultation with the MRGDC.

**Middle Rio Grande Development Council
Solid Waste Grant Interlocal Agreement**

**Schedule of Deliverables from SUBCONTRACTOR
Exhibit C**

Task	Time Frame	Deliverable
Objective 1: Other – Tire Cleanup Event		
Task 1: Purchase bins, trash bags, boxes of gloves, awareness posters	02/15/2015	Submit photographic documentation of purchases
Objective 2: Summary Reports		
Task 2a: Summary Report	August 20, 2014, February 20, 2015 and September 15, 2015	One page Summary Report
Task 2b: Results Report	September 15, 2015, and August 15, 2016	PT-R Forms
Task 2c: Financial Status Report/Reimbursement Request	June 30, 2014 and June 30, 2015	PT-F1, PT-F2, and supplemental documentation

NOTE: Results Report Due on **August 15, 2016** will be sent to the State. The Report must be submitted to MRGDC no later than 5p.m. on that date and the numbers on this report must be as accurate as possible.

**Middle Rio Grande Development Council
Solid Waste Grant Interlocal Agreement**

**Subcontractor Budget and Authorizations
Exhibit D**

Description	Cost
18 bins	\$ 4,320.00
48 trash bags	\$ 360.00
7 boxes of gloves	\$ 210.00
33 awareness posters	\$ 858.00
12% Shipping & Handling Fee	\$ 705.60
TOTAL	\$ 6,453.60

**FY 2014/2015 Regional Solid Waste Grant
Results Report Form 10c: Source Reduction & Recycling**

Due September 15, 2015

Reporting Parameter	Cumulative FY 2014/2015 Results
Total grant funding amount	\$
Total amount (<i>in tons</i>) of materials diverted	
Amount (<i>in tons</i>) of brush/yard waste diverted	
Amount (<i>in tons</i>) of glass diverted	
Amount (<i>in tons</i>) of metal diverted	
Amount (<i>in tons</i>) of plastic diverted	
Amount (<i>in tons</i>) of cardboard diverted	
Amount (<i>in tons</i>) of newspaper diverted	
Amount (<i>in tons</i>) of other paper diverted	
Amount (<i>in tons</i>) of C&D debris diverted	
Number of months materials collected (<i>to be used in obtaining averages</i>)	
Average monthly diversion amount (<i>in tons</i>)	
Total number of persons served	
Total revenue from sale of diverted materials	\$
Average monthly revenue	\$
Total disposal costs avoided (<i>i.e., what it would have cost to landfill the total amount of materials diverted</i>)	\$
Average monthly disposal costs avoided	\$

Education & Training Component

Reporting Parameter	Results
Amount of grant funding applied toward education/training activities	\$
Total of all education/training events	
Total number of persons involved in education/training events	
Total of all items distributed related to education/training events (e.g., brochures, fliers, manuals, freebies, etc.)	
Total number of mass media activities (e.g., press releases, PSAs, billboards or signs, etc.)	
Estimated total number of people reached through mass media activities	

Comments:

Education & Training Component

Due September 15, 2015

Reporting Parameter	Results
Amount of grant funding applied toward education/training activities	\$
Total of all education/training events	
Total number of persons involved in education/training events	
Total of all items distributed related to education/training events (e.g., brochures, fliers, manuals, freebies, etc.)	
Total number of mass media activities (e.g., press releases, PSAs, billboards or signs, etc.)	
Estimated total number of people reached through mass media activities	

Comments:

**FY 2014/2015 REGIONAL SOLID WASTE GRANT
PASS-THROUGH GRANT RECIPIENT
REQUEST FOR FUNDS - FORM PT- F1**

1. From:

(Grantee)

(Business Address)

(City)

(Contact person name and phone number)

2. Date: _____

3. Contract/Project Number: _____

4. These funds are requested to cover expenditures for the period: through:

5. Pass-Through Grant funds received/requested to date: _____

6. Total project expenditures to date, as of : _____

7. How much of item 6 is to be covered by grant funds? _____

8. Net (subtract item 5 from item 7): _____

9. Amount requested: _____

10. Submitted by:

Printed Name of Certifying Official

Date

TO BE COMPLETED BY PAYING AGENCY

Agency Approvals:

Signature

Date

Signature

Date