

# **LOUISIANA HIGHWAY SAFETY COMMISSION**

## **Manual for Subgrants**



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**Manual for Subgrants**

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MANUAL FOR SUBGRANTS  
September 15, 2019**

## **SECTION 1: SUBGRANTEE RESPONSIBILITIES**

### **1.1 Grant Requirements**

When a subgrantee accepts highway safety funds, they also agree to fully comply with all requirements of this subgrant manual and any periodic changes that may be made during the grant year. The project director will be notified in writing of any changes.

It's critical that the project director carefully reviews the federal regulations outlined in [2 CFR Part 200](#) and the certifications and assurances included in Section 43 of the subgrant manual. By accepting federal highway safety funds, a subgrantee is also bound by these certifications and assurances.

### **1.2 Financial Management**

The project director is responsible for establishing and maintaining procedures to ensure the effective administration of the grant funds, including the timely completion of the grant objectives and proper record keeping. A Louisiana Highway Safety Commission (LHSC) program coordinator is assigned to every subgrant and works with the project director and designated staff throughout the course of the subgrant.

The project director must ensure that the agency's accounting system conforms to generally accepted accounting principles. A separate account or fund must be established for each highway safety subgrant. All financial records pertaining to the subgrant must be stored in a project file and maintained by the project director during the subgrant year and for a period of five (5) years from the date of the last payment.

## **SECTION 2: INFORMATION AVAILABILITY**

### **2.1 Availability of Reports and Information**

The subgrantee shall provide all reports and information required by the Louisiana Highway Safety Commission (LHSC), federal laws and regulations, and state laws and regulations. According to 2 CFR 200.336, the subgrantee shall permit access to all subgrantee's books, records, accounts, other information sources and subgrantee's facilities as may be determined by the state, the National Highway Traffic Safety Administration (NHTSA) or the Federal Highway Administration (FHWA) to ascertain compliance with the project contract. If any required information is in the exclusive possession of another who fails or refuses to provide this information, the subgrantee shall so certify and detail to the LHSC what efforts have been made to obtain the required information.

### **2.2 Monitoring**

The subgrantee agrees that the LHSC and NHTSA, state or federal auditors, or FHWA, as appropriate, have the right, at all reasonable times, to monitor and evaluate both programmatic and fiscal matters of the project. The monitoring visits may occur on the subgrantee and/or the subcontractor premises. The subgrantee shall provide all reasonable facilities and assistance during the monitoring visits. The monitoring visits shall be performed in such a manner as will not unduly delay the contracted work.

## **SECTION 3: MAINTENANCE OF DOCUMENTATION**

### **3.1 Separate File, Retention Period**

The subgrantee agrees to maintain copies of all documentation pertaining to the project in a separate file during the subgrant year and for five (5) years from the date of the last payment under the subgrant. Failure to maintain copies of documentation for the stated period may prevent subgrantee from consideration for future subgrants.

### **3.2 Additional Retention Period**

If any litigation, claim, audit finding, or other action involving the records kept pursuant to this subgrant has been started before the expiration of period contained in Section 2.1, the project director must retain the records until the final resolution of all issues which arise from such litigation, claim, negotiation, or action.

## **SECTION 4: TIMELY PERFORMANCE OF WORK**

The subgrantee agrees to perform all the work required by this subgrant. The work shall be completed in accordance with the project schedule and no later than the subgrant expiration date. Failure to perform any aspect of this subgrant may result in non - payment.

## **SECTION 5: REIMBURSEMENT**

### **5.1 Time Frame for Incurred Expenses**

The subgrantee shall not incur expenses which are to be submitted for reimbursement prior to the effective date of this subgrant. The subgrantee shall not submit expenses for reimbursement until final approval of the subgrant. Costs incurred before the effective date of the subgrant or after the subgrant expiration date will not be reimbursed.

### **5.2 General Requirements**

Reimbursement of approved costs will be in accordance with:

- 23 U.S.C. Chapter 4 - Highway Safety Act of 1966, as amended
- 23 U.S.C. Section 402 – Highway Safety Programs
- Sec. 1906, Pub. L. 109-59, as amended by Sec. 401 1, Pub. L. 114-94
- 23 CFR Part 1200 – Uniform Procedures for State Highway Safety Grant Programs
- 23 CFR Part 1300 - Uniform Procedures for State Highway Safety Grant Programs (Federal Register Notice, January 25, 2018, Vol. 83 No. 17)
- 23 U.S.C. Section 154 Open Container Requirements
- 23 U.S.C. Section 164 Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence
- 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 2 CFR part 1201 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “MAP-21”
- Subgrantee agrees to comply with all applicable federal and state statutes and regulations.

### **5.3 Procedure for Repayment of Ineligible Expenses**

The subgrantee shall reimburse the LHSC for any ineligible or unauthorized reimbursement payments received as determined by LHSC, state or federal audits. The LHSC has the right to withhold future reimbursement claims to make up for ineligible or unauthorized reimbursement received until such time as the ineligible payment is made or corrected by the subgrantee. The state may use any other legal remedies available to recover ineligible or unauthorized reimbursement payments.

### **5.4 Submission of Claim Forms**

The subgrantee agrees to perform the work specified in the subgrant. To be eligible for reimbursement, a signed claim form, relevant documentation, and LHSC Annexes must be submitted to the LHSC via email to the following address: [LHSCclaims@la.gov](mailto:LHSCclaims@la.gov). Paper claim submissions will no longer be accepted. LHSC Annexes should be signed and then scanned as a PDF for submission. The claim containing the original signature shall be retained by the subgrantee. The supporting annexes shall be submitted in the electronic file format provided with the subgrant award package.

Reimbursement claim forms shall be submitted on a monthly basis by the 20th of the following month as stipulated in the subgrant. However, in limited instances reimbursement requests may be allowed on a task completion basis and stipulated in the subgrant. Requests for task completion claim submission must be in writing and receive prior approval by the LHSC Executive Director.

Claims needing corrections/revisions shall be returned to the submitting agencies/individuals for correction(s). The subgrantee shall provide corrections/revisions within three (3) calendar days to facilitate timely processing and payment of reimbursement. The subgrantee agrees that within 30 days after subgrant termination, the final reimbursement claim form will be submitted to the LHSC. If it is anticipated that a final claim cannot be submitted within this time period, a written request with justification must be submitted to the LHSC Executive Director before the subgrant expiration date. Failure to submit final claim forms with appropriate documentation within the specified time period may result in non-reimbursement.

#### **Multiple Funded Contracts:**

Claims for reimbursement from contracts which have more than one federal funding source identified on subgrantee agreement shall clearly distinguish what activities and items are claimed with the appropriate fund. In order to avoid disallowed costs, subgrantees shall carefully follow guidelines for use of funds as written in the subgrant agreement and applicable federal CFRs, this subgrant manual, reference material provided with the subgrant award packet and the [NHTSA Highway Safety Grants Program Resources Guide](#).

### **5.5 Reimbursement Documentation**

The subgrantee agrees to submit all required documentation prior to being reimbursed for authorized expenses. This documentation includes, but is not limited to, required LHSC Annexes A, Annex A-1 (if needed), List of Documents Included to Support Costs Submitted on Annex A, completed Annexes B, and C, and the forms and records described below; unless stipulated otherwise in the subgrant.

#### **5.5.1 Description of Reimbursement Packet**

##### **List of Annex A Supporting Documents (Supporting Documents List)**

This form is designed to allow the subgrantee to list the documents that support the reimbursement request.

#### **LHSC Annex A**

This is the official request for payment and summarizes the costs requested by category as well as tracks the budgeted amount, total costs to date and the balance remaining in the subgrant.

#### **LHSC Annex A-1 Certification (if applicable)**

This document is used by the project director and their supervisor to certify the overtime enforcement hours, days, and times documented on the subsequent Annex A-1s were worked by the employees listed.

#### **LHSC Annex A-1 (if applicable)**

This document is used to document overtime enforcement hours, days, and times these overtime enforcement hours are worked by each law enforcement officer. Separate Annex A-1s are required for each funding source.

#### **Annex B – Project Status Report**

This document is a reporting tool for performance, comments, problems, plans and needs for the subgrant.

#### **Annex C**

This is a summary of the progression of planned program activities and planned budget in a tabular format.

#### **Individual Contractor's Invoice (if applicable)**

This documents provides detailed breakdown of requested reimbursement from individuals performing personal services by contract.

#### **LHSC Federal Property Control Form (if applicable)**

This document describes and establishes inventory data needed to track equipment purchases made with federal funds.

### **5.5.2 Definitions of cost categories included in Budget Summary and Annexes A & C.**

#### **Personal Services:**

Salaries and fringe benefits directly related to the project. These positions must be included in the subgrant agreement to be eligible for reimbursement. This section will also include overtime payment to law enforcement personnel. Employees working on the project but not paid by the subgrant are listed as match.

#### **Travel:**

Travel directly related to the subgrant. Includes the cost of travel associated with routine travel, conferences, conventions and training. Out of state travel must be approved in advance by the LHSC and must include course and conference by name. All travel must be in accordance with PPM 49 State Travel regulations.

#### **Contractual Services:**

Expenses incurred in paying for a service performed by any person, or organization not connected directly with the subgrant agency, for example, consultants, studies, etc. All subcontracts must



be approved by the LHSC prior to implementation. The cost of each service must be itemized. Procurement of contractual services must be in accordance with state rules and regulations. Subcontracts and mini grants may not be awarded to law enforcement agencies for enforcement activities. Law enforcement agencies should apply for enforcement funding directly to the LHSC.

### **Operating Services:**

Items that represent expenditures for office operation, i.e. postage, telephone service, equipment maintenance, etc.

### **Supplies:**

Items that may be included are office supplies, paper, forms, and other expendable materials. All purchases must be in accordance with state purchasing rules and regulations.

Educational Materials are included in the supplies category. Educational materials are materials and/or supplies acquired for the purpose of this particular highway safety project to encourage the general public to adopt highway safety practices. In order to be considered educational material, distributed material must provide substantial information and educational content (not just a slogan) to the public and have the sole purpose of conveying that information. If a subgrantee chooses to provide educational content on a flash drive that device must be an economical method of conveying the information.

Examples of allowable educational materials include traffic safety themed coloring books, activity books, pamphlets, brochures, flyers, posters, etc.

All educational materials must be approved prior to purchase by the LHSC Program Coordinator, and all purchases must be made in accordance with state purchasing guidelines. **All items must display the approved LHSC logo and the following message: “This material was developed through a project funded by the Louisiana Highway Safety Commission”.**

No promotional items or giveaways may be purchased with Federal funds. Use of NHTSA grant funds to purchase promotional items or giveaways is illegal and could result in a Management Review finding and the requirement to repay the misused funds.

Subgrantees may use state funds or privately collected funds/private sponsorships to purchase promotional items subject to applicable state laws and policies. Items donated by private entities are considered program income.

### **Public Information and Educational (PI & E) Items**

The National Highway Traffic Safety Administration (NHTSA) issued guidance regarding PI&E materials which became effective on May 18, 2016. See the [NHTSA Memorandum on the Use of NHTSA Funds to Purchase Items for Distribution](#) for more information.

### **Equipment:**

Purchase of items that cost over \$1,000.00 per unit and have a useful life of over one year.

### **Program Income**

According to 2 CFR 200.80, program income is gross income earned by subgrantee that is directly generated by a supported activity or earned as a result of the conduct of the subgrant. Program income includes but is not limited to income from fees for services performed, the use or rental of

real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees or royalties on patents or copyrights, and principal and interest on loans made with Federal award funds. Program income must be applied to project purposes and/or used to reduce the LHSC project reimbursement costs as cost sharing or matching. Program income must be approved prior to the issuance of the subgrant. Program income must be reported on LHSC Annex A-5 with the monthly reimbursement claim.

### **Indirect Costs**

According to 2 CFR 200.56, indirect costs are those that have been incurred for common or joint purposes and not assigned to a highway safety grant as a direct cost. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

### **Matching Expenditures**

If the subgrantee agrees to provide matching expenditures as outlined on the subgrant Budget Summary Page, then matching expenditures must be included on the Annex A. The Project Director agrees to maintain supporting documentation during the subgrant year and five (5) years from the contract expiration date. Matching funds are auditable and may not be used to match more than one federal award. Federal funds may not be used to match other federal awards.

## **5.5.3 Reimbursement Documentation Required by Category**

### **5.5.3.1 Personal Services**

Reimbursement for personnel costs must include an official Time Distribution Record containing name(s) of employee(s) who worked during the claim period, dates worked, beginning and ending times worked, pay rate(s), and total amount incurred. **Law enforcement agencies shall record overtime personnel costs on LHSC Annex A-1 or on a previously established agency form as approved by LHSC.** LHSC Annex A - 1 must be signed and dated by the Project Director. If the Project Director worked the LHSC Subgrant, the LHSC Annex A - 1 must also be signed by the Project Director's Supervisor.

Reimbursement requests for full-time employees must include amount of annual/sick leave taken during each pay period based on the subgrantee's policy. The LHSC reimbursement for excessive leave taken during the subgrant period shall be determined by the LHSC Program Coordinator and/or LHSC Executive Director. Each Reimbursement Claim Packet Annex A must be signed and dated by the Project Director. **Requests for reimbursement must also include an individual listing of activities performed, number/type training classes conducted, travel locations, etc.** LHSC has an Individual Contractor Invoice template that may be used but other documents are acceptable as long as all of the required information is provided.

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation as contained in [2 CFR 200.430](#).

(i) *Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and
- (vi) [Reserved]
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
  - (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;
  - (B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
  - (C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.
- (ix) Because practices vary as to the activity constituting a full workload (for IHEs, IBS), records may reflect categories of activities expressed as a percentage distribution of total activities.
- (x) It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.

(2) For records which meet the standards required in paragraph (i)(1) of this section, the non-Federal entity will not be required to provide additional support or documentation for the work performed, other than that referenced in paragraph (i)(3) of this section.

(3) In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees, in addition to the supporting documentation described in this section, must also be supported by records indicating the total number of hours worked each day.

(4) Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.

#### **5.5.3.2 Personal Services - Travel**

All travel shall be performed in accordance with current Louisiana State Travel Regulations - P.P.M. 49. Travel not specified on the subgrant Budget Summary Page must be approved in advance, and in writing, by the LHSC Executive Director. Requests for travel cost reimbursements must include a Travel Expense Account Form DPSMF 1382, or equivalent form.

For guidelines, refer to the Louisiana Office of State Travel web site at: <https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>

#### **5.5.3.3 Contractual Services**

Each reimbursement request for contractual services must include a signed invoice for services submitted by the contractor, to include the amount claimed, services provided, dates of service, and documentation of payment.

#### **5.5.3.4 Operating Services, Supplies, and Equipment**

Each reimbursement request for operating services, supplies, and equipment must include a copy of the purchase order (if issued), vendor invoice, and/or receipt and documentation of payment. Requests for reimbursement of equipment with a per-item cost of \$1,000 or above must include a completed LHSC Federal Property Inventory Control Form. The LHSC may require a property inventory control form on items under \$1,000.

#### **5.5.3.5 Indirect Costs**

All indirect costs must be approved by the LHSC. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

Indirect costs include the indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs. Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards.

Typical examples of indirect costs may include certain State/local-wide central service costs, general administration of the grantee department or agency, accounting and personnel services performed within the grantee department or agency, depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, etc. The approved indirect cost rate must be verified in writing by the agency's accounting entity. For more information please visit [2 CFR 200, 2 CFR Part 200, Appendix III](#) (formerly OMB Circular A-21, Cost Principles for Education Institutions), [2 CFR Part 200, Appendix IV](#), Indirect (F&A) Costs Identification and Assignment and Rate Determination for Nonprofit Organizations.

### **5.5.5 Final Reimbursement**

Final LHSC reimbursement to the subgrantee may be withheld until all required work is completed, delivered, accepted and approved by the LHSC Executive Director. **Note: Final claims must be received within 30 days of the project end date unless prior approval is granted.**

### **5.5.6. Required Signatures and Verification**

The Project Director's signature on LHSC Annexes and other LHSC documents submitted with the claim reimbursement indicate verification that all costs have been incurred by the subgrantee, for the purpose specified in this subgrant, prior to making a claim to the LHSC for reimbursement.

## **SECTION 6: PROCUREMENT PROCEDURES**

### **6.1 State Procurement Procedures**

The subgrantee shall use state procurement procedures for all purchasing and subcontracting procedures. For further information, refer to the Louisiana Office of State Purchasing web site at: <https://www.doa.la.gov/Pages/osp/Index.aspx>

## **SECTION 7: BUY AMERICA ACT**

The Buy America Act, 23 U.S.C. 313, prohibits states from using highway grant funds under 23 U.S.C. Chapter 4 to purchase products, unless they are produced in the United States.

For information concerning the Buy America Act, see the [NHTSA Buy America Act Guidance](#) and the [NHTSA Buy America Act Questions and Answers](#).

## **SECTION 8: PROPERTY CONTROL**

### **8.1 Title of Property**

Title of property purchased in connection with this subgrant as an authorized expense and properly reimbursed by the LHSC shall vest in the subgrantee.

#### **8.1.1 Failure to Perform**

The subgrantee agrees to convey title of such property to the LHSC if the subgrantee fails to perform the work as specified in this subgrant. Subgrantee will deliver such property into the possession of the LHSC at the time title is conveyed to the LHSC.

##### **8.1.1.1 Failure to Comply with Section 8.1.1**

The subgrantee's failure to complete the obligation in Section 8.1.1 within thirty (30) days of the date of termination shall subject the subgrantee to paying reasonable attorney fees if the matter is

turned over to an attorney to recover the property.

#### **8.1.1.2 Recovery of Property**

If litigation as outlined in Section 8.1.1.1 is commenced, the LHSC at its discretion, may seek to recover all involved property or the residual value of the involved property.

### **8.2 Use of Property/Equipment During the Term of Subgrant**

The subgrantee agrees that property and/or equipment purchased under the terms of this subgrant with federal project funds will be used only in the program and/or project area and for the purpose for which these program and/or project funds were provided. The subgrantee shall immediately notify the LHSC Executive Director, in writing, if any property and/or equipment purchased under this project/program, during its useful life, ceases to be used in the manner set forth by the subgrant. In such event, the subgrantee further agrees to give credit to the project/program for the residual value of such property and/or equipment in an amount to be determined by the LHSC, or to transfer or otherwise dispose of such equipment as directed by the LHSC. State agencies will dispose of equipment only in accordance with Louisiana's Division of Administration policy and regulations.

### **8.3 Use of Property/Equipment after the Term of Subgrant**

Upon completion or termination of a traffic safety subgrant, or if it is determined by the LHSC that the equipment is no longer needed for the purpose for which it was acquired, the equipment may, at the option of the LHSC, become the property of the LHSC. Permission for any other disposition must be obtained from the LHSC before any action can be taken regarding the equipment. Subgrantees wishing to continue use of the equipment should make request to the Executive Director of LHSC for continued use within program funding criteria to include an explanation of how the equipment will be used for highway safety purposes.

### **8.4 Transfer of Property**

The transfer of property purchased with federal funds pursuant to this subgrant during the terms of this subgrant shall be considered a failure to perform the work specified in this subgrant, and the LHSC may proceed to recover the value of the property as outlined in Section 8.1.1.

### **8.5 Maintenance**

It is mutually agreed and promised that the subgrantee shall maintain or cause to be maintained in good working order all equipment purchased with federal funds under this project during the period of its useful life.

### **8.6 Useful Life**

The minimum useful life of equipment assets purchased under this subgrant will be determined by the Internal Revenue Service Useful Life Guidance. Refer to the LHSC website [LHSC Table of Useful Life](#) for more information.

### **8.7 Value**

Equipment assets purchased under this project will have an initial value equal to the purchase price. Residual value will be determined in accordance with generally accepted depreciation methods.

### **8.8 Purchase of Authorized Property**

Purchase of property or equipment with a purchase price of \$1,000.00 or more must be specifically

authorized in the subgrant to be reimbursed by the LHSC. Refer to Paragraph 5.5.3.4 for exceptions.

### **8.9 Property Control Inventory Form**

The subgrantee will submit a completed LHSC Federal Property Inventory Control Form to the LHSC Project Coordinator at the time of possession of property or equipment. The subgrantee will notify LHSC if there is a change in the use, location, or person responsible for the property or equipment.

### **8.10 Maintaining Inventory**

Subgrantee agrees to maintain an inventory of federal property or equipment if the original purchase price is \$1,000.00 or more for the useful life of the property or equipment as determined by the LHSC. The inventory will include as a minimum: purchase price, purchase date, useful life; state or local property tag number and manufacturer's serial number; and location of each item.

### **8.11 Disposal of Federally Owned Property**

Disposition of equipment with a useful life of more than one year and an acquisition cost of \$5,000.00 or more must receive prior written approval from the approving official (NHTSA Regional Administrator). Subgrantees will submit request letters to the LHSC Executive Director, who will forward the requests to NHTSA Region.

## **SECTION 9: SUBCONTRACTS, THIRD PARTY CONTRACTS AND/OR ASSIGNMENTS**

### **9.1 Provisions**

The subgrantee shall notify all potential subcontractors or third-party contractors that all subcontracts or third-party contracts must incorporate this contract and that all subcontracts or third-party contracts are subject to this contract.

### **9.2 Approval**

All subcontracts or third-party contracts, as outlined in the subgrant, must be submitted to the LHSC Project Coordinator for approval and inclusion in the project file.

The subgrantee may, with prior written permission from the State, enter into subcontracts with third parties for the performance of any part of the subgrantee's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the subgrantee to the State and/or State Agency for any breach in the performance of the subgrantee's duties. The subgrantee will be the single point of contact for all subcontractor work.

### **9.3 Assignment of Subgrant**

No subgrantee shall assign any interest in this subgrant by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the subgrantee from assigning to a bank, trust company, or other financial institution any money due or to become due from approved subgrants without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **SECTION 10: RECORD OWNERSHIP**

### **10.1 Materials, Discoveries, Inventions and Results Developed, Produced or Discovered**

All records, reports, documents and other material delivered or transmitted to subgrantee by LHSC shall remain the property of LHSC and shall be returned by subgrantee to LHSC at subgrantee's expense, at termination or expiration of this subgrant. All records, reports, documents or other material related to this subgrant and/or obtained or prepared by subgrantee in connection with performance of the services contracted for herein shall become the property of LHSC, and shall upon request, be returned by LHSC to subgrantee, at subgrantee's expense, at termination or expiration of this subgrant.

### **10.2 Reports, Studies or Material Developed for Publication**

Reports, studies or other materials approved for publication or printing are to be regarded as information in the public domain and its further use does not require approval. The subgrantee agrees that the published version of reports, studies or other materials shall not be copyrighted nor contain any restriction which prohibits distribution and reproduction. The subgrantee will not sell copies of such reports or other materials prepared under the terms of this contract.

## **SECTION 11: REQUIREMENTS PRIOR TO PUBLIC RELEASE OF ITEMS LISTED IN SECTION 10**

### **11.1 Approval**

The subgrantee does not have authority to speak on behalf of the LHSC. The subgrantee agrees that before public release of any item listed in Section 10, it shall be submitted to the LHSC Executive Director for approval.

### **11.2 Required Reports**

The subgrantee agrees to provide two (2) copies of the item to the LHSC Executive Director, unless otherwise stated in the Project Description Terms and Conditions.

## **SECTION 12: CHANGES IN THE CONTRACT**

### **12.1 Major Changes**

Any requests for changes in this subgrant that changes the scope or increases or decreases the amount of obligated funding shall require a written amendment to this subgrant subject to compliance with LHSC policies and state and federal laws and regulations, except minor changes as outlined in this subgrant manual.

No amendment or variation of the terms of this subgrant shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the subgrant is binding on any of the parties.

### **12.2 Minor Change Approval**

Any minor change may be agreed upon in writing, in advance, by the subgrantee and the LHSC Project Coordinator without the necessity of a new subgrant agreement.

### **12.3 Minor Change Definition**

A minor change is defined as an increase or decrease between any category or subcategory of the subgrant not to exceed 10% of the total budget for this subgrant. The minor change shall not



increase or decrease the amount of funds obligated by the LHSC.

### **SECTION 13: SUBSTITUTION OF KEY PERSONNEL**

The subgrantee's personnel assigned to this Subgrant shall not be replaced without the prior written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State or subgrantee's personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this subgrant, outside of the State's or subgrantee's reasonable control, as the case may be, the State or the subgrantee, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The subgrantee will make every reasonable attempt to assign the personnel listed in his proposal.

### **SECTION 14: CONTRACT CONTROVERSIES**

Any claim or controversy arising out of the subgrant shall be resolved by the provisions of Louisiana Revised Statutes 39:1672.2-1672.4.

### **SECTION 15: SANCTIONS FOR NONCOMPLIANCE**

In the event of the subgrantee's noncompliance with the provisions of this subgrant, the LHSC Executive Director shall according to 2 CFR 200.207, 2 CFR 200.338, and 2 CFR 200.339 impose such sanctions as it may determine to be appropriate, including but not limited to: (1) withholding of payments to the subgrantee until the subgrantee complies: and/or (2) cancellation, termination or suspension of the subgrant.

### **SECTION 16: TERMINATION**

#### **16.1 Termination for Convenience**

State may terminate the subgrant at any time without penalty by giving thirty (30) calendar days written notice to the subgrantee of such termination or negotiating with the subgrantee an effective termination date. Subgrantee shall be entitled to payment for deliverables in progress, to the extent the State determines that the work has been performed satisfactorily.

#### **16.2 Termination for Cause**

Should the State determine that the subgrantee has failed to comply with the Subgrant terms, the State may terminate the Subgrant for cause by giving the Subgrantee written notice specifying the Subgrantee's failure. If the State Determines that the failure is not correctable, then the Subgrant shall terminate on the date specified in the notice. If the State determines that the failure may be corrected, the State shall give a deadline for the Subgrantee to make the correction. If the State determines that the failure is not corrected by the deadline, then the State may give additional time for the Subgrantee to make the correction or the State may notify the Subgrantee of the Subgrant termination date.

If the Subgrantee seeks to terminate the Subgrant, the Subgrant shall file a complaint with the Chief Procurement Officer under La. R.S. 39:1672.2-1672.4.

## **SECTION 17: SINGLE AUDIT ACT**

### **17.1 State or Local Governments and Nonprofit Organizations Receiving \$750,000 or More in Total Federal Funds**

State or local governments and nonprofit organizations receiving \$750,000 or more a year in total federal funds shall have an audit made in accordance with OMB Circular – [2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F](#). Audits should be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits. Copies of audit reports shall be provided to the LHSC upon completion.

### **17.2 Subgrantee is required to provide a signed audit certification letter prior to submission of the first claim.**

### **17.3 Right to Audit**

According to 2 CFR 200.336, any authorized agency of the State (e.g. Office of the Legislative Auditor, LHSC, Inspector General's Office, internal auditors of the Division of Administration, etc.) and the Federal Government has the right to inspect and review all books and records pertaining to services rendered under this contract for a period of five (5) years from the date of the final payment under the prime contract and any subgrant. The Contractor and subcontractor shall maintain such books and records for this five-year period and cooperate fully with the authorized auditing agency. Contractor and subcontractor shall comply with federal and state laws authorizing an audit of their operations as a whole, or of specific program activities.

## **SECTION 18: CONTINUING OBLIGATION**

Subgrantee has the continuing obligation to disclose any suspensions or debarment by any government entity, including by not limited to General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Subgrant and debarment from future Subgrants.

## **SECTION 19: GENERAL COST OF GOVERNMENT**

In accordance with 2 CFR 200.444, the subgrantee agrees not to use subgrant funds to replace routine and/or existing State or local expenditures. The subgrantee agrees not to use subgrant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local or federally recognized Indian tribal governments.

## **SECTION 20: FISCAL FUNDING**

The continuation of this subgrant is contingent upon the appropriation of funds to fulfill the requirements of the subgrant by congress and the legislature. If congress or the legislature fail to appropriate sufficient monies to provide for the continuation of the subgrant, or if such appropriation is reduced by the veto of the President or the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the subgrant, the subgrant shall terminate or be reduced

at the time which funds are not appropriated. If funds are reduced, then all Annexes will be changed to reflect the new budget amount.

## **SECTION 21: DISCLOSURE OF OWNERSHIP**

If the subgrantee is a “for profit corporation” whose stock is not publicly traded, then a Disclosure of Ownership affidavit must be filed with the Louisiana Secretary of State’s Office – please visit <https://geauxbiz.sos.la.gov/>.

## **SECTION 22: BOARD RESOLUTION**

A Board Resolution is required to be submitted to the LHSC if the subgrantee is a corporation, either profit or non - profit.

## **SECTION 23: CERTIFICATE OF AUTHORITY**

A Certificate of Authority is required to be submitted to the LHSC if the subgrantee is an out - of state corporation. Please visit the Louisiana Secretary of State’s office for assistance <https://geauxbiz.sos.la.gov/>

## **SECTION 24: FAIR LABOR STANDARDS**

The subgrantee shall comply with the [Fair Labor Standards Act \(FLSA\)](#) as amended.

## **SECTION 25: TAXES**

Subgrantee is responsible for payment of all applicable taxes from the funds to be received under this subgrant and identified under the subgrantee’s federal tax identification number.

Before the contract may be approved, La. R.S. 39:1624(A)(10), requires the Office of State Procurement to determine that the Contractor is current in the filing of all applicable tax returns and reports and in the payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department of Revenue. The contractor shall provide its seven-digit LDR Account Number to the State for this determination. The State’s obligations are conditioned on the Contractor resolving any identified outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) days of such notification. If the Contractor fails to resolve the identified outstanding tax compliance deficiencies within seven (7) days of notification, then the using agency may proceed with alternate arrangements without notice to the Contractor and without penalty.

## **SECTION 26: MINORITY BUSINESS ENTERPRISE (MBE) REQUIREMENTS**

It is the policy of the U.S. Department of Transportation that minority business enterprises, as defined in [49 CFR Part 23](#), shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this agreement. Consequently, the MBE requirements of 49 CFR Part 23 applies to this agreement.

The recipient or its contractor agrees to ensure that minority enterprises as defined in 49 CFR

Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that minority enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities in the award and performance of DOT - assisted contracts.

## **SECTION 27: PRIVACY ACT**

Performance of work by the subgrantee under this contract may involve the design, development and/or operation of a system of records on individuals that is to be operated by the subgrantee to accomplish an agency function. When such work is to be performed, the subgrantee shall comply with the [Privacy Act of 1974](#) and applicable agency regulations. Violations of the act may involve the imposition of criminal penalties.

## **SECTION 28: DRUG - FREE WORKPLACE**

The subgrantee certifies that it will provide a drug - free workplace in accordance with the [Drug - Free Workplace Act of 1988 \(41 U.S.C. 702\)](#).

## **SECTION 29: ENVIRONMENTAL IMPACT**

Both parties to this subgrant have reviewed the possible environmental impact of activities to be performed under this project and have determined the benefits outweigh any potential negative environmental impact.

## **SECTION 30: ENERGY POLICY AND CONSERVATION ACT**

The subgrantee hereby recognizes the mandatory standards and policies relating to energy efficiency which are contained in the state energy and conservation plan issued in compliance with the federal [Energy Policy and Conservation Act](#).

## **SECTION 31: NONCOLLUSION CERTIFICATION**

All parties to this subgrant certify that the subgrantee has not been required, directly or indirectly, as a condition to obtaining this subgrant, to: (1) employ or retain for a commission, percentage, brokerage, contingent fee, or other consideration, any firm/agency, or person (other than bona fide employee working solely for subgrantee or a consultant) to solicit or secure this subgrant; (2) agree, as an express or implied condition for obtaining this subgrant, to employ or retain the services of any firm or person in connection with carrying out the subgrant; or (3) paid, or agreed to pay, to any firm, organization or person, other than a bona fide employee working solely for the LHSC any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying the subgrant; except as here expressly stated (if any).

## **SECTION 32: OCCUPANT PROTECTION**

The subgrantee shall adopt (if none presently exists) and enforce an occupant protection use

policy requiring all employees and others riding in subgrantee vehicles and/or on subgrant business to use occupant protection devices in accordance with Louisiana state law. The subgrantee shall further support all traffic safety statutes defining occupant protection usage.

### **SECTION 33: TEXT MESSAGING WHILE DRIVING/DISTRACTED DRIVING**

The subgrantee should adopt (if none presently exists) and enforce safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving in accordance with Louisiana state law.

### **SECTION 34: CHILD PROTECTION ACT**

The subgrantee agrees to comply with all provisions of the [Louisiana Child Protection Act \(LSA – RS 15:587.1\)](#) if subgrantee, or its agents, employees, or assignees have any supervisory or disciplinary authority over children under the age of 18.

### **SECTION 35: FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)**

#### **35.1 Provisions**

The State will comply with FFATA guidance, [OMB Guidance on FFATA Subaward and Executive Compensation Reporting, August 27, 2010, \(\[https://www.fsr.gov/documents/OMB\\\_Guidance\\\_on\\\_FFATA\\\_Subaward\\\_and\\\_Executive\\\_Compensation\\\_Reporting\\\_08272010.pdf\]\(https://www.fsr.gov/documents/OMB\_Guidance\_on\_FFATA\_Subaward\_and\_Executive\_Compensation\_Reporting\_08272010.pdf\)\)](#) by reporting to FSR.gov for each sub-grant awarded:

- Name of the entity receiving the award;
- Amount of the award;
- Information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source;
- Location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country; and an award title descriptive of the purpose of each funding action;
- A unique identifier (DUNS);
- The names and total compensation of the five most highly compensated officers of the entity if-- of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity;
  - (i) the entity in the preceding fiscal year received—
    - (I) 80 percent or more of its annual gross revenues in Federal awards; and (II) \$25,000,000 or more in annual gross revenues from Federal awards; and
    - (ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986;
- Other relevant information specified by OMB guidance.

### **35.2 Subgrantee Responsibilities**

Dun and Bradstreet (D&B) maintains a repository of unique identifiers (DUNS Numbers), which are nine-digit sequences recognized as the universal standard for identifying business entities and corporate hierarchies. Any organization that has a Federal contract or grant must have a DUNS Number. All subgrant recipients are required to register with D&B and acquire a DUNS Number.

Subgrantee shall obtain a unique identifier or DUNS Number at: <https://www.dnb.com/duns-number/get-a-duns.html>

Subgrantee shall search for and register their agency's DUNS Number with the System for Award Management (SAM) at: <https://sam.gov/SAM/>

Subgrantee shall maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration. The LHSC may not make a Federal award to the subgrantee/applicant until compliance with all applicable DUNS and SAM requirements has been verified. Failure to comply may make a subgrantee/applicant not qualified to receive a Federal award.

### **SECTION 36: INTERNAL CONTROL POLICY**

In accordance with [2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) the subgrantee shall maintain and provide a copy of the internal control policies for grant management and financial reporting for their agency to the LHSC. Documentation may be electronic or hard copy. Documentation could include organizational charts, flow charts, questionnaires, decision tables, or memoranda. The agency internal control policy should ensure that the agency has internal accounting and other controls in place to provide reasonable assurance that it is managing its federal programs in compliance with applicable laws and regulations. At a minimum, the policy should describe levels of supervisor approval for grant funded activities, regular and overtime hours worked, and other eligible expenses.

### **SECTION 37: CODE OF ETHICS**

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

### **SECTION 38: SEVERABILITY**

If any term or condition of this Subgrant or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this subgrant are declared severable.

## **SECTION 39: INDEMNIFICATION & LIMITATION OF LIABILITY**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under this subgrant.

Subgrantee shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by subgrantee, its agents, employees, partners or subcontractors, without limitation; provided, however, that the subgrantee shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

If applicable, subgrantee will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the subgrantee: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at subgrantee's sole expense, and (iii) assistance in the defense of any such action at the expense of subgrantee. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require subgrantee, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The subgrantee shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by subgrantee; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if subgrantee believes that it may be enjoined, subgrantee shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the subgrant.

For all other claims against the subgrantee where liability is not otherwise set forth in the subgrant as being "without limitation", and regardless of the basis on which the claim is made, subgrantee's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the subgrant, or two (2) times the charges rendered by the subgrantee under the subgrant. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the subgrantee is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the subgrantee, retain such monies from amounts due subgrantee, or may proceed

against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **SECTION 40: PROHIBITION OF DISCRIMINATORY BOYCOTTS OF ISRAEL**

In accordance with Louisiana Revised Statutes 39:1602.1, for any contract for \$100,000 or more and for any contractor with five or more employees, the Contractor certifies that neither it nor its subcontractors are engaged in a boycott of Israel, and that the Contractor and any subcontractors shall, for the duration of this contract, refrain from a boycott of Israel. The State reserves the right to terminate this contract if the Contractor, or any Subcontractor, engages in a boycott of Israel during the term of the contract.

## **SECTION 41: GOVERNING LAW**

This subgrant shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to La. R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, special terms and conditions, and specifications listed in the RFP (if applicable); and this subgrant. Venue of any action brought, after exhaustion of administrative remedies, with regard to this subgrant shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

## **SECTION 42: COMPLETE CONTRACT**

This Manual for Subgrants, combined with the LHSC contract, is the complete contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this contract and there are no other agreements or understanding changing or modifying the terms. This contract shall become effective upon final statutory approval.

## **SECTION 43: CONFIDENTIALITY OF DATA**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the subgrantee in order to carry out this subgrant, or which become available to the subgrantee in carrying out this subgrant, shall be protected by the subgrantee from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the subgrantee. If the methods and procedures employed by the subgrantee for the protection of the subgrantee's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The subgrantee shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the subgrantee's possession, is independently developed by the subgrantee outside the scope of the subgrant, or is rightfully obtained from third parties.



**SECTION 44: CERTIFICATIONS AND ASSURANCES**