

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE GOVERNOR’S OFFICE OF ECONOMIC RECOVERY  
AND  
GILA COUNTY  
CONTRACT #OER-11-IGA-GS-30**

This INTERGOVERNMENTAL AGREEMENT (the “AGREEMENT”) is entered into by and between the Governor’s Office of Economic Recovery (“GOER”), established by Governor Brewer to oversee and discharge funds granted under the American Recovery and Reinvestment Act of 2009 (“Recovery Act” or “ARRA”), and located at 1700 West Washington Street, Suite 300, Phoenix, Arizona 85007, and Gila County (“County” or “recipient”), located at 1400 East Ash Street, Globe, Arizona 85501 in accordance with A.R.S. § 41-2701 et seq., authorizing the State of Arizona, GOER to execute and administer grants for Title XIV of the ARRA, known as the State Fiscal Stabilization Fund (as amended by Public Law 111-8 (H.R. 1105), the Omnibus Appropriations Act, 2009; Division A, Section 523; March 11, 2009; 123 Stat. 524). The Catalog of Federal Domestic Assistance (CFDA) Number is 84.397, Government Services Fund, administered by the U.S. Department of Education.

**I. PURPOSE OF THE AGREEMENT**

GOER is tasked with oversight and swift distribution of economic recovery funding. In this capacity, GOER has agreed to provide funding to the Gila County for the purpose of providing one-time funding to supplement existing County resources for one or more of the following purpose areas: (1) Education Reform; (2) Health Care and Children’s Programs; (3) Public Safety; and/or (4) Innovation, Technology and Economic Development. The County agrees to comply with all terms of the proposal as approved, submitted in response to the grant opportunity that emerged from Governor Brewer’s State Fiscal Stabilization Funds Distribution to Rural Counties program. GOER will fund the County up to \$230,769 for this purpose.

**II. WORK STATEMENT AND GENERAL PROVISIONS**

The parties mutually agree as follows:

A. Scope of Work

1. The County shall provide GOER, within five business days of GOER’s request, all information, data and supporting documentation requested by GOER or, if not requested by GOER, determined relevant by the County to assist GOER in reconciling award amounts.
2. The County shall comply with all ARRA requirements including the following 1512 reporting requirements:
  - a. Provide the following information, as required by GOER by the 6<sup>th</sup> day of the month following the end of a quarter or as requested by GOER:
  - b. Grants and Projects
  - c. Financial Transactions
  - d. DUNS
  - e. Prime Vendor/Sub-recipients
  - f. 1512 Report Update

3. The County shall make relevant personnel available for contact and meetings with Federal or State oversight agencies, when requested by GOER and shall make relevant County personnel available to contact and meet with GOER when requested by GOER. The County shall provide to GOER contact names, addresses, telephone numbers, e-mail addresses, and any other relevant contact information available to the County regarding the County's personnel considered by the County relevant to the activities described in this section. GOER shall not reimburse the County for any costs associated with the County's personnel participation in these activities.
4. GOER may monitor the County's compliance with ARRA requirements regarding Recovery Act funds, in addition to any monitoring that other oversight agencies may decide to conduct. The County shall cooperate with GOER regarding all monitoring activities related to ARRA funds. The County may be required to provide information, data and supporting documentation of its ARRA transactions to GOER. GOER shall not reimburse the County for any costs associated with these activities of the County.
5. The County shall inform GOER when the County is contacted by any Federal or State oversight agency regarding Recovery Act dollars within five business days of contact, including:
  - a. When an oversight agency requests any documents, data and information from the County. The County shall provide copies of the County's responses to oversight agencies to GOER, if requested by GOER, within five business days of GOER's request.
  - b. When an oversight agency issues reports to the County or about the County. The County shall provide copies to GOER, if available to the County and if requested by GOER, within five business days of GOER's request.
  - c. When the County responds to follow-up requests for documents, data and information from oversight agencies. The County shall provide copies of the County's responses to oversight agencies to GOER, if requested by GOER, within five business days of GOER's request.
6. The County shall allow GOER to review the County's fraud, waste and abuse prevention programs and ARRA transactions, if requested by GOER, in the manner requested by GOER.
7. The County shall comply with ARRA requirements as described in the following quotation: "Recipients who have failed to submit a Section 1512 report as required by the terms of their award are considered to be non-compliant. Non-compliant recipients, including those who are persistently late or negligent in their reporting obligations, are subject to Federal action, up to and including the termination of Federal funding or the ability to receive Federal funds in the future." EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET, Peter R. Orszag.

## B. Method and Terms of Reimbursement

Recovery Act funds will be transferred to the County on a cost reimbursement basis upon receipt and approval of a Payment Request Form showing cumulative expenditures by line item. Items to be reported on are: dollar amount requested, name of project worked on, any Davis-Bacon reports and project status compared to timeline submitted. Travel expenses shall be at State rates (see website at [www.gao.az.gov/travel/default.asp](http://www.gao.az.gov/travel/default.asp)) and reimbursable at cost. State rates as established by the Arizona Department of Administration, General Accounting Office are made part of this Agreement by reference herein. The County will submit to GOER an estimated payment schedule and timeline for the project and the County will be responsible for paying vendors associated with this project. GOER may provide to the County a master template for the Payment Request Form. GOER will reimburse expenses to the County using a warrant, transfer or by direct deposit of Recovery Act funds to the County. Method of payment will be at the discretion of GOER and the County will allow seven to ten working days for completion of payment of Recovery Act funds after receipt of a Payment Request Form. Any unspent funds associated with this Agreement will be refunded to GOER at completion of stated Agreement term. Final payment for this Agreement will be released upon receipt of any final reporting requirements which are yet to be determined.

## C. Reporting and Compliance Requirements

Payments by GOER to the County shall be in strict compliance with OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (2 CFR 225 A-87) and shall adhere to the Federal Cash Management Improvement Act (CMIA) and comply with guidelines of the State Fiscal Stabilization Fund (SFSF), established under Recovery Act through Public Law 111-5 (H.R.1) and amended by Public Law 111-8 (H.R. 1105).

In addition, the Recovery Act specifically provides that funds may not be used by any state or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. The Recovery Act funds may be used in conjunction with other funding as necessary to complete projects, but tracking and reporting of Recovery Act funds must be separate, to meet the reporting and other requirements of the Recovery Act and other applicable law.

The accounting systems of all recipients and sub-recipients must ensure that funds from any award under this Agreement are not commingled with funds from any other source. Misuse of grant funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal grants, recoupment of monies provided under a grant, and civil and/or criminal penalties.

Consistent with the special purposes and goals of the Recovery Act, and its strong emphasis on accountability and transparency, it is essential that all funds from a Recovery Act grant be tracked, accounted for, and reported on separately from all other funds. Recipients must also be prepared to track and report on the specific outcomes and benefits attributable to use of Recovery Act funds.

Funds associated with this AGREEMENT shall only be used to reimburse the County for the purposes set forth on section I of this Agreement. The County must understand and comply with all applicable Federal and State policies, procedures, and requirements related to Recovery Act monies including, but not limited to, the following:

**1) “Buy American Act” Est. 1933**

The recipient understands that this award is subject to the provisions of section 1605 of the Recovery Act (“Buy American Act”). No award funds may be used for non-American sources of iron, steel, or manufactured goods for a project for the construction, alteration, maintenance, or repair of a public building or public work, unless the recipient provides advance written notification and upon approval of the federal grant agency, a waiver is issued allowing this activity.

**2) Davis-Bacon and Related Acts: Wage Rate Requirements**

All applicants should be aware that the Recovery Act contains a provision on wage rate requirements that concerns projects funded or assisted by Recovery Act funds that employ laborers and mechanics. See section 1606 of the Recovery Act for the full text of this requirement.

**3) ARRA Infrastructure Investment: Preference for Quick-Start Activities**

Pursuant to section 1602 of the Recovery Act, recipients of funds under this solicitation for infrastructure investment are to give preference to activities that can be started and completed expeditiously, and also are expected to use grant funds in a manner that maximizes job creation and economic benefit. For the details of this requirement, please refer to the text of section 1602 of the Recovery Act.

**4) Recovery Act: Contracts**

Generally speaking, the Recovery Act places special emphasis on the use of fixed-price contracts awarded through competitive procedures.

**5) National Environmental Policy Act Requirements**

Under section 1609 of the American Recovery and Reinvestments Act of 2009 all recipients must comply with any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 *et seq.*), 40 CFR parts 1500 through 1508 and any State government requirements that implement NEPA.

**III. EFFECTIVE DATE, TERM, TERMINATION, RENEWAL, AMENDMENT**

A. Effective Date

This AGREEMENT shall become immediately effective only upon the following: (1) execution by GOER and the County, and (2) execution by GOER’s and the County’s attorneys, whose execution shall determine that this AGREEMENT is in proper form and within the powers and authority granted to GOER and the jurisdiction under the laws of the State of Arizona.

B. Term, Termination, Renewal

This AGREEMENT shall begin on July 1, 2010 and terminate on September 30, 2011, unless otherwise terminated as provided herein, or extended. Either party may terminate this AGREEMENT at any time by providing thirty (30) days written notice to the other party. If this AGREEMENT is extended by mutual written consent of the parties, all terms, conditions and provisions of the original AGREEMENT shall remain in full force and effect and apply during any extension period.

C. Amendment

This AGREEMENT may be modified, altered, extended or amended only in writing signed by, or on behalf of, both parties.

**IV. NOTICES**

Any and all notices, requests or demands given or made upon the parties hereto, pursuant to or in connection with this AGREEMENT, unless otherwise noted, shall be delivered in person or sent by United States Mail, postage prepaid, to the parties at their respective addresses as set forth immediately below:

<p><b><u>GOER</u></b>  James J. Apperson  Director  Governor’s Office of Economic Recovery  1700 W. Washington St., Ste. 300  Phoenix, AZ 85007  Phone: (602) 542-6402</p>	<p><b><u>Gila County</u></b>  Michael A. Pastor  Chairman  Gila County Board of Supervisors  1400 E. Ash St.  Globe, AZ 85501  Phone: (928) 425-3231</p>
--	--

**V. ARBITRATION**

This AGREEMENT is subject to arbitration to the extent required by A.R.S. § 12-1518. Any such proceedings shall be held in Phoenix, Arizona.

**VI. NON-AVAILABILITY OF FUNDS**

Every payment obligation of GOER under this AGREEMENT is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this AGREEMENT, either party may terminate this AGREEMENT at the end of the period for which funds are available. No liability shall accrue to GOER or the State of Arizona in the event this provision is exercised, and GOER and the State of Arizona shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

**VII. CANCELLATION FOR CONFLICT OF INTEREST**

This AGREEMENT is subject to cancellation pursuant to Arizona Revised Statutes § 38-511, the provisions of which herein incorporated by reference.

**VIII. AUDIT OF RECORDS**

Pursuant to Arizona Revised Statutes § 41-1351, GOER shall retain all data, books, and other records relating to this AGREEMENT. The County is subject to all audit oversight policies and procedures established by GOER.

**IX. GOVERNING LAW**

This AGREEMENT is made under, and is to be construed in accordance with, the laws of the State of Arizona. In the event of litigation arising under, out of, or relating to, this AGREEMENT, GOER and the County hereby stipulate to the exclusive jurisdiction and venue of the Maricopa County Superior Court in Phoenix, Arizona.

**X. ENTIRE AGREEMENT**

This AGREEMENT contains the entire Agreement and understanding of the parties hereto. There are no representations or provisions other than those contained herein, and this AGREEMENT supersedes all prior Agreements between the parties, whether written or oral, pertaining to the same subject matter of this AGREEMENT.

**XI. INVALIDITY OF PART OF THIS AGREEMENT**

The parties agree that, should any part of this AGREEMENT be held to be invalid or void, the remainder of the AGREEMENT shall remain in full force and effect and shall be binding upon the parties.

**XII. COUNTERPARTS**

This AGREEMENT may be executed in any number of duplicate originals, photocopies or facsimiles, all of which (once each party has executed at least one such duplicate original, photocopy, or facsimile) will constitute one and the same document.

**XIII. INTERPRETATION**

This AGREEMENT is not to be construed or interpreted for or against either of the parties on the grounds of sole or primary authorship or draftsmanship.

**XIV. PARAGRAPH HEADINGS**

The paragraph headings in this AGREEMENT are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this AGREEMENT or any of its provisions.

XXXXXXXXXXXXXXXXXXXXX

THIS SECTION INTENTIONALLY LEFT BLANK

XXXXXXXXXXXXXXXXXXXXX

**XV. IN WITNESS WHEREOF**, the parties agree to execute this AGREEMENT.

Governor's Office of Economic Recovery  
1700 W. Washington St., Ste. 300  
Phoenix, AZ 85007

Gila County  
1400 E. Ash St.  
Globe, AZ 85501

---

James J. Apperson  
Director  
Governor's Office of Economic Recovery

---

Michael A. Pastor  
Chairman  
Gila County Board of Supervisors

This AGREEMENT is in proper format and is within the powers and authority granted to the respective public agency.

---

Joseph Kanefield  
General Counsel  
Office of the Governor

---

Daisy Flores  
County Attorney  
Gila County