

American Rescue Plan Act (ARPA)/Coronavirus State Local Fiscal Recovery Fund (CSLFRF) Funds
Subaward Agreement
Between
COUNTY of Durham, North Carolina
and
Triangle Literacy Council

Article I. Overview.

Section 1.1. Parties. The parties to this agreement are COUNTY of Durham, North Carolina, a North Carolina municipal corporation ("COUNTY") and Triangle Literacy Council, a North Carolina non-profit corporation ("SUBRECIPIENT").

Section 1.2. Definitions. The definitions in 2 CFR 200.1 are hereby incorporated into this Agreement.

Section 1.3. Roles. For the purposes of this Agreement, the COUNTY serves as a pass-through entity.

Section 1.4. Source of Funding. This Agreement is funded by a portion of the \$62,445,275 allocated to the COUNTY by the Coronavirus State Local Fiscal Recovery Fund created under section 603 of the American Rescue Plan Act of 2021 (ARP/CSLFRF).

Section 1.5. Purpose. The purpose of this Agreement is to establish the terms and conditions for a subaward allocated to the SUBRECIPIENT from the COUNTY.

Section 1.6. Disclosures. Federal regulations, specifically 2 CFR 200.331(a)(1), require the COUNTY to provide the SUBRECIPIENT with specific information about this subaward. All required information is listed in Exhibit A (Subaward Data).

Section 1.7. Term. This Agreement shall govern the performance of the parties for the period [START DATE] (the "Effective Date") through May 15, 2025 ("Expiration Date"), unless earlier terminated by either party in accordance with the terms of this Agreement ("Agreement Term").

Article II. Scope of Funded Activities.

Section 2.1. Scope of Services. SUBRECIPIENT shall perform all activities described in the scope of activities, attached hereto as Exhibit B (Scope of Work).

Section 2.2. Budget. SUBRECIPIENT shall perform the Scope of Work in accordance with the program budget as approved by the COUNTY and attached hereto as Exhibit C (Approved Budget).

Section 2.3. Prior Approval for Changes. SUBRECIPIENT may not transfer allocated funds among cost categories within a budgeted program account without the prior written approval of the COUNTY; nor shall SUBRECIPIENT make any changes, directly or indirectly, to program design, Scope of Work, or Approved Budget without the prior written approval of COUNTY.

Article III. Compensation.

Section. 3.1. Payment of Funds. COUNTY agrees to pay, SUBRECIPIENT for anticipated monthly costs to be incurred and paid by SUBRECIPIENT in accordance with the Approved Budget and for the performance of the Scope of Work under this Agreement in an amount not to exceed \$225,000 ("Total Agreement Funds"). The initial payment will include projected expenses for three months. Subsequent payments will occur for projected expenses for a one-month period.

The amount of Total Agreement Funds, however, is subject to adjustment by the COUNTY if a substantial change is made in the Scope of Work that affects this Agreement or if this Agreement is terminated prior to the expiration of

the Agreement. Program funds shall not be expended prior to the Effective Date or following the earlier of the Expiration Date or the last day of the Agreement Term. Costs incurred shall only be as necessary and allowable to carry out the purposes and activities of the Scope of Work and may not exceed the maximum limits set in the Approved Budget. Expenses charged against the Total Agreement Funds shall be incurred in accordance with this Agreement.

Section. 3.2. Invoices. On or before the fifteenth (15th) day of each month and in any event no later than thirty (30) days after the earlier of the expiration or termination of this Agreement, SUBRECIPIENT shall submit invoices and associated receipts, in a format dictated by COUNTY, for the most recent month ended, to COUNTY's Manager's Office, setting forth actual expenditures of SUBRECIPIENT in accordance with this Agreement. Within ten (10) working days from the date it receives such invoice, COUNTY may disapprove the requested claim. If the claim is so disapproved, COUNTY shall notify SUBRECIPIENT as to the disapproval. A decision by COUNTY to disapprove a claim is final. There is no appeal process for SUBRECIPIENT. If COUNTY disapproves an expense, then the COUNTY will adjust the amount of the unallowable expense in the subsequent monthly allotment.

Section. 3.3. COUNTY's Subaward Obligations Contingent on Federal Funding and SUBRECIPIENT Compliance.

The payment of funds to SUBRECIPIENT under the terms of this Agreement shall be contingent on the receipt of such funds by COUNTY from the ARP/CSLFRF and shall be subject to SUBRECIPIENT's continued eligibility to receive funds under the applicable provisions of state and federal laws. If the amount of funds that COUNTY receives from the ARP/CSLFRF is reduced, COUNTY may reduce the amount of funds awarded under this Agreement or terminate this Agreement. COUNTY also may deny payment for SUBRECIPIENT's expenditures for Scope of Work where invoices or other reports are not submitted by the deadlines specified in this Agreement or for failure of SUBRECIPIENT to comply with the terms and conditions of this Agreement.

Article IV. Financial Accountability and Grant Administration.

Section. 4.1. Financial Management. SUBRECIPIENT shall maintain a financial management system and financial records related to all transactions with funds received pursuant to this Agreement and with any program income earned as a result of funds received pursuant to this Agreement. SUBRECIPIENT must administer funds received pursuant to this Agreement in accordance with all applicable federal and state requirements, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, as required by the ARP/CSLFRF Assistance Listing (21.027). SUBRECIPIENT shall adopt such additional financial management procedures as may from time-to-time be prescribed by COUNTY if required by applicable federal or state laws or regulations, or guidelines from US Department of Treasury. SUBRECIPIENT shall maintain detailed, itemized documentation and other necessary records of all income received and expenses incurred pursuant to this Agreement.

Section. 4.2. Limitations on Expenditures. COUNTY shall only approve funding SUBRECIPIENT for documented expenditures incurred during the Agreement Term that are: (i) reasonable and necessary to carry out the scope of Scope of Work described in Exhibit B; (ii) documented by contracts or other evidence of liability consistent with the established COUNTY and SUBRECIPIENT procedures; and (iii) incurred in accordance with all applicable requirements for the expenditure of funds payable under this Agreement. COUNTY may not reimburse or otherwise compensate SUBRECIPIENT for any expenditures incurred or services provided prior to the Effective Date or following the earlier of the expiration or termination of this Agreement.

Section. 4.3. Indirect Cost Rate. The indirect cost rate, if any, indicated in Exhibit C (Approved Budget) shall apply to this Agreement.

Section. 4.4. Financial and Other Reports. SUBRECIPIENT shall submit to COUNTY such reports and back-up data as may be required by the Federal Government or COUNTY, including such reports which enable COUNTY to submit its own reports to the US Department of Treasury, in accordance with the following schedule, which may be amended from time to time:

<u>REPORT</u>	<u>DEADLINE</u>
Monthly Financial Reports	By the 15 th of each month for prior month.
Quarterly Report Reviews	March 31(Q1); June 30(Q2); September 30(Q3); December 31(Q4)
Desk Reviews	Annually (or more frequently if requested by either Party)
Onsite Reviews	Upon request of either party
Annual Audit Review	If necessary, upon request

This provision shall survive the expiration or termination of this Agreement with respect to any reports which the SUBRECIPIENT is required to submit to COUNTY following the expiration or termination of this Agreement.

Section. 4.5. Improper Payments. Any item of expenditure by SUBRECIPIENT under the terms of this Agreement which is found by auditors, investigators, and other authorized representatives of the COUNTY, the US Department of Treasury, the NC Department of State Treasurer, or other federal or state instrumentality to be improper, unallowable, in violation of federal or state law, or the terms of this Agreement, or involving any fraudulent, deceptive, or misleading representations or activities of SUBRECIPIENT, shall become SUBRECIPIENT's liability, and shall be paid solely by SUBRECIPIENT, immediately upon notification of such, from funds other than those provided by COUNTY under this Agreement or any other agreements between COUNTY and SUBRECIPIENT. This provision shall survive the expiration or termination of this Agreement.

Section. 4.6. Audits and Access to Records. SUBRECIPIENT certifies compliance with applicable provisions of 2 CFR 200.501-200.521, and continued compliance with these provisions during the term of this section. If SUBRECIPIENT is not required to have a Single Audit as defined by 200.501, US Department of Treasury requirements, or the Single Audit Act, then SUBRECIPIENT may be required, upon the COUNTY'S request, to have a financial audit performed yearly by an independent Certified Public Accountant. SUBRECIPIENT shall provide notice of the completion of any required audits and will provide access to such audits and other financial information related to the Agreement upon request. SUBRECIPIENT certifies that it will provide COUNTY with notice of any adverse findings which impact this Agreement. This obligation extends for one year beyond the expiration or termination of this Agreement.

Section. 4.7. Closeout. Final payment request(s) under this Agreement must be received by COUNTY no later than thirty (30) days after the earlier of the Expiration Date or the last day of the Agreement Term. COUNTY will not accept a payment request submitted after this date without prior authorization from COUNTY. In consideration of the execution of this Agreement by COUNTY, SUBRECIPIENT agrees that acceptance of final payment from COUNTY will constitute an agreement by SUBRECIPIENT to release and forever discharge COUNTY, its agents, employees, officers, representatives, affiliates, successors and assigns from any and all claims, demands, damages, liabilities, actions, causes of action or suits of any nature whatsoever, which SUBRECIPIENT has at the time of acceptance of final payment or may thereafter have, arising out of, in connection with or in any way relating to any and all injuries and damages of any kind as a result of or in any way relating to this Agreement. The SUBRECIPIENT's obligations to COUNTY under this Agreement shall not terminate until all closeout requirements are completed to the satisfaction of COUNTY. Such requirements shall include submitting final reports to COUNTY and providing any closeout-related information requested by COUNTY by the deadlines specified by COUNTY. This provision shall survive the expiration or termination of this Agreement.

Article V. Compliance with Grant Agreement and Applicable Laws.

Section. 5.1. General Compliance. SUBRECIPIENT shall perform all Scope of Work funded by this Agreement in accordance with this Agreement, the award agreement between COUNTY and the US Department of Treasury, and all applicable federal, state, and local requirements, including all applicable statutes, rules, regulations, executive orders, directives, or other requirements. Such requirements may be different from SUBRECIPIENT's current policies and practices. COUNTY may assist SUBRECIPIENT in complying with all applicable requirements. However, SUBRECIPIENT remains responsible for ensuring its compliance with all applicable requirements.

Section. 5.2. Expenditure Authority. This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARP/CSLFRF grant, including, but not limited to, the following:

Authorizing Statute. Section 603 of the *Social Security Act* (42 U.S.C. 803), as added by section 9901(a) of the *American Rescue Plan Act of 2021* (Pub. L. No. 117-2).

Implementing Regulations. Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the *Coronavirus State and Local Fiscal Recovery Funds* interim final rule (86 FR 26786, applicable May 17, 2021, through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022, through the end of the ARP/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).

Guidance Documents. Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the *Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds*.¹

This Agreement is also subject to all applicable laws of the State of North Carolina.

Section. 5.3. Federal Grant Administration Requirements. SUBRECIPIENT shall comply with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 CFR Part 200 (UG), as adopted by the Department of Treasury at 2 CFR Part 1000 and as set forth in the [Assistance Listing for ARP/CSLFRF \(21.027\)](#). These requirements dictate how SUBRECIPIENT must administer the subaward and how COUNTY must oversee SUBRECIPIENT.

The applicable UG provisions are as follows:

[Subpart A, Acronyms and Definitions](#)

[Subpart B, General provisions](#)

[Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards](#) (except 2 CFR 200.204, .205, .210, and .213)

[Subpart D, Post Federal; Award Requirements](#) (except 2 CFR 200.305(b)(8) & (9), .308, .309, and .320(c)(4))

[Subpart E, Cost Principles](#)

[Subpart F, Audit Requirements](#)

[2 CFR Part 25](#) (Universal Identifier & System for Award Management)

[2 CFR Part 170](#) (Reporting Subaward and Executive Compensation Information)

[2 CFR Part 180](#) (OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement))

SUBRECIPIENT shall document compliance with UG requirements, including adoption and implementation of all required policies and procedures, within thirty (30) days of the execution of this Agreement and during all subsequent reviews during the term of the Agreement. COUNTY may provide sample policies or other assistance to SUBRECIPIENT in meeting these compliance requirements. Regardless of COUNTY's assistance, it is the

¹ <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.

SUBRECIPIENT's responsibility to properly comply with all UG requirements. Failure to do so may result in termination of the Agreement by COUNTY.

Section. 5.4. Procurement Requirements.

- (a) **Federal.** Consistent with UG compliance requirements, including the standards in 2 CFR 200.318 for the acquisition of property, equipment, supplies, or services required under this Agreement, SUBRECIPIENT shall adopt and enact procurement procedures. SUBRECIPIENT's documented procurement procedures must conform to the procurement standards identified in Subpart D of 2 CFR Part 200 (Procurement Standards). Such standards include, but are not limited to, the following:
1. All procurement transactions for property or services shall be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320(1)-(3) and (5), which allows for non-competitive procurements only if either (1) the item is below the micro-purchase threshold; (2) the item is only available from a single source; (3) the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or (4) after solicitation of a number of sources, competition is determined inadequate.
 2. SUBRECIPIENT shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
 3. SUBRECIPIENT shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts in conformance with 2 CFR 200.318(c). SUBRECIPIENT shall immediately disclose in writing to COUNTY any potential conflict of interest affecting the awarded funds in accordance with 2 CFR 200.112.
 4. Pursuant to 2 CFR 200.321, SUBRECIPIENT shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
 5. SUBRECIPIENT shall "maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price." 2 CFR 200.318(i).
- (b) **Local.** In addition to the requirements described in subsection (a), the SUBRECIPIENT shall comply with the following:
1. **Reporting.** SUBRECIPIENT shall document, in its quarterly report to **COUNTY**, the status of all contracts executed in connection with this Agreement.
 2. **COUNTY review of solicitations.** Except for micro-purchases made pursuant to 2 CFR 200.320(a)(1) or procurements by small purchase procedures pursuant to 2 CFR 200.320(a)(2), if SUBRECIPIENT proposes to enter into any contract for the performance of any of the Scope of Work under this Agreement, then the SUBRECIPIENT shall forward to COUNTY a copy of any solicitation (whether competitive or non-competitive) at least fifteen (15) days prior to the publication or communication of the solicitation. COUNTY will review the solicitation and provide comments, if any, to SUBRECIPIENT within three (3) business days. Failure to respond within three (3) business days does not constitute approval by the COUNTY. Consistent with 2 CFR 200.324, COUNTY will review the solicitation for compliance with applicable procurement standards. COUNTY's review and comments shall not constitute a binding approval of the solicitation. Regardless of COUNTY's review, SUBRECIPIENT remains bound by all applicable laws, regulations, and Agreement terms. If during its review COUNTY identifies any deficiencies, then COUNTY will communicate those deficiencies to SUBRECIPIENT as quickly as possible within the three (3) business day window outlined above.
 3. **COUNTY review of contracts.** Except for micro-purchases pursuant to 2 CFR 200.320(a), if SUBRECIPIENT proposes to enter into any contracts for the performance of any of the Scope of Work under this

Agreement, then SUBRECIPIENT shall forward to COUNTY a copy of the written contract prior to contract execution. COUNTY shall review the unexecuted contract for compliance with applicable requirements and provide comments, if any, to SUBRECIPIENT within three (3) business days. Failure to respond within three (3) business days does not constitute approval by the COUNTY. Consistent with 2 C.F.R. §200.324, COUNTY will review the unexecuted contract for compliance with the procurement standards outlined in 2 C.F.R. §§200.318 through 200.327 as well as Appendix II to 2 C.F.R. Part 200. COUNTY's review and comments shall not constitute an approval of the contract. Regardless of COUNTY's review, SUBRECIPIENT remains bound by all applicable laws, regulations, and Agreement terms. If during its review COUNTY identifies any deficiencies, then COUNTY will communicate those deficiencies to SUBRECIPIENT as soon as possible within the three (3) business day window outlined above. SUBRECIPIENT must correct the noted deficiencies before executing the contract.

- (c) **Mandatory Contract Provisions.** SUBRECIPIENT must include contract provisions required by UG and other state and federal laws and regulations, and as otherwise dictated by COUNTY.

Section 5.5. Subawards. In executing this Agreement, SUBRECIPIENT may not enter a subaward without prior written approval from COUNTY.

Section 5.6. Property Management. All real property acquired or improved, and equipment or supplies purchased in whole or in part with ARP/CSLFRF funds, must be used, insured, managed, and disposed of in accordance with 2 CFR 200.311 through 2 CFR 200.316.

Section 5.7 Program Income. If SUBRECIPIENT earns program income, as defined in 2 CFR 200.1 during the term of the subaward, it must segregate the gross proceeds of the program income and follow the provisions in 2 CFR 200.307. Any anticipated program income shall be budgeted in Exhibit C and reported to the COUNTY. Any unanticipated Program Income shall be managed in accordance with COUNTY policy

Section. 5.8. Federal Restrictions on Lobbying. SUBRECIPIENT shall comply with the restrictions on lobbying in 31 CFR Part 21. Pursuant to this regulation, SUBRECIPIENT may not use any federal funds to pay any person to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. SUBRECIPIENT shall certify in writing that SUBRECIPIENT has not made, and will not make, any payment prohibited by these requirements using the form provided in Exhibit D (Lobbying Certifications).

Section. 5.9. Universal Identifier and System for Award Management (SAM). SUBRECIPIENT shall obtain, and provide to the COUNTY, a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at www.sam.gov.

Section. 5.10. Equal Opportunity & Other Requirements. SUBRECIPIENT shall adopt and enact a nondiscrimination policy consistent with the requirements in this section.

Civil Rights Laws. SUBRECIPIENT shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d *et seq.*) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

Fair Housing Laws. SUBRECIPIENT shall comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 *et seq.*), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

Disability Protections. SUBRECIPIENT shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

Age Discrimination. SUBRECIPIENT shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

Americans with Disabilities Act. SUBRECIPIENT shall comply with Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

Section. 5.11. Suspension and Debarment. SUBRECIPIENT shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. SUBRECIPIENT represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. SUBRECIPIENT further agrees that it will notify COUNTY immediately if it or any of its principals is placed on the list of parties excluded from federal procurement or nonprocurement programs available at www.sam.gov.

Section. 5.12. Federal Funding Accountability and Transparency Act of 2006. SUBRECIPIENT shall provide COUNTY with all information requested by COUNTY to enable COUNTY to comply with the reporting requirements of the *Federal Funding Accountability and Transparency Act of 2006* (31 U.S.C. 6101 note).

Section. 5.13. Licenses, Certifications, Permits, Accreditation. SUBRECIPIENT shall obtain and keep current any license, certification, permit, or accreditation required by federal, state, or local law and shall submit to COUNTY proof of any licensure, certification, permit or accreditation upon request.

Section. 5.14. Publications. Any publications produced with funds from this Agreement shall display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to Durham County, North Carolina by the U.S. Department of the Treasury."

Section 5.15. Program for Enhancement of Contractor Employee Protections. SUBRECIPIENT is hereby notified that they are required to: inform its employees working on any federal award that they are subject to the whistleblower rights and remedies of the program; inform its employees in writing of employee whistleblower protections under 41 U.S.C §4712 in the predominant native language of the workforce; and include such requirements in any agreement made with a subcontractor or subgrantee.

Section 5.16. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment. Pursuant to 2 CFR 200.216, SUBRECIPIENT shall not obligate or expend funds received under this Subaward to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services (as described in Public Law 115-232, section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.

Section 5.17. Use of Name. Neither party to this Agreement shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may use factual information regarding the existence and purpose of the relationship that is the subject of this Agreement for legitimate business purposes, to satisfy any reporting and funding obligations, or as required by applicable law or regulation without written permission from the other party. In any such statement, the relationship of the parties shall be accurately and appropriately described.

Section 5.18. Highest Compensated Officers. The names and total compensation of the five most highly compensated officers of SUBRECIPIENT shall be listed if the SUBRECIPIENT in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this 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. See FFATA § 2(b)(1) Code of 1986. If this requirement applies to SUBRECIPIENT, SUBRECIPIENT will submit the list of its five most highly compensated officers to COUNTY within thirty (30) days of the execution of this Agreement and yearly thereafter during the Agreement term.

Section 5.19. Statement of Assurances. SUBRECIPIENT certifies compliance with SF 424B (Statement of Assurances – Non-Construction) and SF424D (Statement of Assurances – Construction).

Section 5.20. RESERVED.

Section 5.21. Stevens Amendments Requirements. SUBRECIPIENT shall identify that federal assistance funds were used to fund Scope of Work under this Agreement in any publicity and /or signage relating to the funded project or program.

Article VI. Cooperation in Monitoring and Evaluation.

Section. 6.1. COUNTY Responsibilities. COUNTY shall monitor, evaluate, and provide guidance and direction to SUBRECIPIENT in the conduct of Scope of Work performed under this Agreement. COUNTY must determine whether SUBRECIPIENT has spent funds in accordance with applicable laws, regulations, including the federal audit requirements and agreements and shall monitor the activities of SUBRECIPIENT to ensure that SUBRECIPIENT has met such requirements. COUNTY may require SUBRECIPIENT to take corrective action if deficiencies are found.

The type and degree of monitoring activities depends on the results of the SUBRECIPIENT Risk Assessment, as detailed in COUNTY's Subaward and Monitoring Policy for the expenditure of ARP/CSLFRF funds (see policy at [American Rescue Plan Act \(ARPA\) Funds | Durham County \(dconc.gov\)](https://www.durhamcountync.gov/american-rescue-plan-act-arpa-funds)).

The following specific monitoring activities apply to this Agreement:

- (a) Monthly Financial Reports
- (b) Quarterly Report Reviews
- (c) Annual Desk Reviews (or more frequently if requested by either Party)
- (d) Onsite Reviews (upon request of either Party), and
- (e) Annual Audit Review, if necessary, upon request.

Section. 6.2. SUBRECIPIENT Responsibilities.

- (a) **Cooperation with COUNTY Oversight.** SUBRECIPIENT shall permit COUNTY to carry out monitoring and evaluation activities, including any performance measurement system required by applicable law, regulation, funding sources guidelines or by the terms and conditions of the applicable grant award, and SUBRECIPIENT agrees to ensure, to the greatest extent possible, the cooperation of its agents, employees and board members in such monitoring and evaluation efforts. This provision shall survive the expiration or termination of this Agreement.
- (b) **Cooperation with Audits.** SUBRECIPIENT shall cooperate fully with any reviews or audits of the activities under this Agreement by authorized representatives of COUNTY, the North Carolina State Auditor, the US Department of Treasury, and the US Government Accountability Office. SUBRECIPIENT agrees to ensure to the extent possible the cooperation of its agents, employees, and board members in any such reviews and audits. This provision shall survive the expiration or termination of this Agreement.

Section 6.3. Interventions. If COUNTY determines that SUBRECIPIENT is not in compliance with this Agreement, COUNTY may initiate an intervention, in accordance with 2 CFR 200.208 and 2 CFR 200.339. The degree of SUBRECIPIENT's performance or compliance deficiency will determine the degree of intervention. All possible interventions are listed below and will depend on the degree of deficiency in SUBRECIPIENT's performance or compliance deficiency.

If COUNTY determines that an intervention is warranted, it shall provide written notice to SUBRECIPIENT of the intervention within thirty (30) days of the completion of a report review, desk review, onsite review, audit review, or procedures engagement review or as soon as possible after the COUNTY otherwise learns of a compliance or performance deficiency related to the execution of this Agreement. The written notice shall notify SUBRECIPIENT of the following related to the intervention:

- (1) The nature of the additional requirements;
- (2) The reason why the additional requirements are being imposed;
- (3) The nature of the action needed to remove the additional requirement, if applicable;
- (4) The time allowed for completing the actions if applicable; and
- (5) The method for requesting reconsideration of the additional requirements imposed.

COUNTY may impose the following interventions on SUBRECIPIENT, based on the level of the compliance or performance deficiency that COUNTY determines:

Level 1 Interventions. These interventions may be required for minor compliance or performance issues.

- (1) SUBRECIPIENT addresses specific internal control, documentation, financial management, compliance, or performance issues within a specified time period
- (2) More frequent or more thorough reporting by the SUBRECIPIENT
- (3) More frequent monitoring by the COUNTY
- (4) Required SUBRECIPIENT technical assistance or training
- (5) Required impact visits to determine actions that may be needed
- (6) Regular Office Hours calls (based on needs)

Level 2 Interventions. These interventions may be required for more serious compliance or performance issues.

- (1) Restrictions on funding payment requests by SUBRECIPIENT
- (2) Disallowing payments to SUBRECIPIENT
- (3) Requiring repayment for disallowed cost items
- (4) Imposing probationary status on SUBRECIPIENT

Level 3 Interventions. These interventions may be required for significant and/or persistent compliance or performance issues.

- (1) Temporary or indefinite funding suspension to SUBRECIPIENT
- (2) Nonrenewal of funding to SUBRECIPIENT in subsequent year
- (3) Terminate funding to SUBRECIPIENT in the current year
- (4) Initiate legal action against SUBRECIPIENT
- (5) Interviews with Staff of SUBRECIPIENT
- (6) Audit assistance

Interventions will remain in place until the underlying performance or compliance deficiency is addressed to the sole satisfaction of COUNTY.

Section 6.4. Records Retention and Access. SUBRECIPIENT shall maintain all records, books, papers, and other documents related to its performance of Scope of Work under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit, or other inquiry involving this Agreement. SUBRECIPIENT shall make all records, books, papers, and other documents that relate to this Agreement available at all reasonable times for inspection, review, and audit by the authorized representatives of COUNTY, the North Carolina State Auditor, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

Section 6.5. Key Personnel. SUBRECIPIENT shall identify all personnel who will be involved in performing Scope of Work and otherwise administering the Agreement, including at least one project manager and one fiscal officer (Key Personnel). SUBRECIPIENT shall notify COUNTY of any changes to these personnel within thirty (30) days of the change. Key personnel names, titles, and contact information are listed in Exhibit E (Key Personnel).

Article VII. Default and Termination.

Section. 7.1. Termination for Cause. COUNTY may terminate this Agreement for cause after three days written notice. Cause may include misuse of funds, fraud, lack of compliance with applicable rules, laws and regulations, failure to perform on time, or failure to comply with any of the requirements of this Agreement.

Sec. 7.2. Termination for Convenience ("TFC").

(a) Procedure. Without limiting any party's right to terminate for breach, the parties agree that the COUNTY may, without cause, and in its discretion, terminate this contract for convenience by giving the SUBRECIPIENT written notice that refers to this section. TFC shall be effective at the time indicated in the notice.

(b) Obligations. Upon TFC, all obligations that are still executory on both sides are discharged except that any right based on prior breach or performance survives, and the indemnification provisions shall remain in force. At the time of TFC or as soon afterwards as is practical, the SUBRECIPIENT shall give the COUNTY all Work, including partly completed Work. In case of TFC, the SUBRECIPIENT shall follow the COUNTY's instructions as to which subcontracts to terminate.

(c) Payment. The COUNTY shall pay the SUBRECIPIENT an equitable amount for the costs and charges that accrue because of the COUNTY's decisions with respect to the subcontracts, but excluding profit for the SUBRECIPIENT. Within 20 days after TFC, the COUNTY shall pay the SUBRECIPIENT one hundred dollars as a TFC fee and shall pay the SUBRECIPIENT for all Work performed except to the extent previously paid for. Work shall be paid for in accordance with the method (unit prices, hourly fees, etc.) to be used for payment had the Work been completed except to the extent it would be inequitable to either party, and if Work was to be paid for on a lump-sum basis, the COUNTY shall pay the part of the lump sum that reflects the percentage of completion attained for that Work. The SUBRECIPIENT shall not be entitled to any payment because of TFC except as stated in this section, whether on the basis of overhead, profit, damages, other economic loss, or otherwise.

Sec. 7.3. Termination by Mutual Agreement. COUNTY and SUBRECIPIENT may agree to terminate this Agreement for their mutual convenience through a written amendment to this Agreement. The amendment will state the effective date of the termination and the procedures for proper closeout of the Agreement.

Sec. 7.4. Termination Procedures. If this Agreement is terminated, SUBRECIPIENT may not incur new obligations for the terminated portion of the Agreement after SUBRECIPIENT has received the notification of termination. SUBRECIPIENT must cancel as many outstanding obligations as possible. Costs incurred after receipt of the termination notice will be disallowed. SUBRECIPIENT shall not be relieved of liability to COUNTY because of any breach of Agreement by SUBRECIPIENT. COUNTY may, to the extent authorized by law, withhold payments to SUBRECIPIENT for the purpose of set-off until the exact amount of damages due COUNTY from SUBRECIPIENT is determined. The COUNTY Manager or its designee shall have the authority to terminate this agreement under Article VII.

Article VIII. General Conditions.

Section. 8.1. E-Verify Requirements. (a) If this Agreement is awarded pursuant to North Carolina General Statutes (NCGS) 143-129 – (i) the SUBRECIPIENT represents and covenants that the SUBRECIPIENT and its subcontractors comply with the requirements of Article 2 of Chapter 64 of the NCGS; (ii) the words "SUBRECIPIENT," "SUBRECIPIENT's subcontractors," and "comply" as used in this subsection (a) shall have the meanings of "Contractor," "Contractor's subcontractors," and "comply" respectively as intended by NCGS 143-129(j); and (iii) the COUNTY is relying on this subsection (a) in entering into this Agreement. (b) If this Agreement is subject to NCGS 143-133.3, the SUBRECIPIENT and its subcontractors shall comply with the requirements of Article 2 of Chapter 64 of the NCGS.

Section. 8.2. Indemnification.

(a) In general. The terms of subsection (c) (Standard Indemnification Provision) below shall apply to the SUBRECIPIENT, subject to subsections (d) through (k), where applicable.

(b) Definitions. These definitions apply to this Section unless otherwise stated.
SUBRECIPIENT – Each party to this contract except the COUNTY of Durham.

Construction agreement -- any promise or agreement in, or in connection with, a contract or agreement relative to the design, planning, construction, alteration, repair, or maintenance of a building, structure, highway, road, appurtenance, or appliance, including moving, demolition, and excavating connected therewith.

Defend --In this Section except in subsection (c), defend means to pay for or furnish counsel at the expense of the SUBRECIPIENT to defend any of the Indemnitees against claims alleged or brought against any of the Indemnitees by a third party alleged or brought in any court or other tribunal, including forms of alternative dispute resolution required by law or contract, before the court or tribunal has reached a final determination of fault.

Derivative parties -- with respect to a party, any of that party's subcontractors, agents, employees, or other persons or entities for which the party may be liable or responsible as a result of any statutory, tort, or contractual duty.

Design professional -- a person or entity who is licensed under and provides professional services regulated by Chapters 83A, 89A, 89C, 89E, or 89F of the N. C. General Statutes.

Design professional agreement -- any promise or agreement in, or in connection with, a contract or agreement with a design professional to provide design professional services.

Design professional services -- a service or work performed by a design professional for which licensure is required under Chapters 83A, 89A, 89C, 89E, or 89F of the N. C. General Statutes.

Fault -- a breach of contract; negligent, reckless, or intentional act or omission constituting a tort under applicable statutes or common law; or violations of applicable statutes or regulations.

Indemnitees -- COUNTY and its officers, officials, independent contractors, agents, and employees, excluding the SUBRECIPIENT.

Subcontractor -- any person or entity, of any tier, providing labor or material through the SUBRECIPIENT for use on the project at issue in the applicable construction agreement or design professional agreement.

(c) Standard Indemnification Provision. (i) The SUBRECIPIENT shall defend, indemnify, and hold harmless Indemnitees from and against all Charges that arise in any manner from, in connection with, or out of this contract as a result of acts or omissions of the SUBRECIPIENT or its derivative parties. In performing its duties under this subsection "c," the SUBRECIPIENT shall at its sole expense defend Indemnitees with legal counsel reasonably acceptable to COUNTY. (ii) "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements, and expenses. Included without limitation within "Charges" are (1) interest and reasonable attorney's fees assessed as part of any such item, and (2) amounts for alleged violations of sedimentation pollution, erosion control, pollution, or other environmental laws, regulations, ordinances, rules, or orders -- including but not limited to any such alleged violation that arises out of the handling, transportation, deposit, or delivery of the items that are the subject of this contract. By appropriate litigation, each Indemnitee, severally, shall have the right to enforce this section (titled "Indemnification") directly against the SUBRECIPIENT, but not against the COUNTY of Durham.

(d) Restriction regarding Indemnitees' Negligence. This contract shall not require the SUBRECIPIENT to indemnify or hold harmless Indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence, in whole or in part, of Indemnitees.

(e) Restriction regarding Fault in Construction Agreements and Design Professional Agreements. If this contract is a construction agreement or design professional agreement, nothing in this contract requires the SUBRECIPIENT to indemnify or hold harmless Indemnitees or any other person or entity against losses, damages, or expenses unless the fault of the SUBRECIPIENT or its derivative parties is a proximate cause of the loss, damage, or expense indemnified.

(f) Restriction regarding Negligence of Design Professionals. Nothing in this contract requires the SUBRECIPIENT, provided that it is a design professional, to defend Indemnitees or any other person or entity against liability or claims for damages, or expenses, including attorney's fees, proximately caused or allegedly caused by the professional negligence, in whole or in part, of the SUBRECIPIENT, the COUNTY, or their derivative parties, whether the claim is alleged or brought in tort or contract.

(g) Liability When at Fault. The parties intend that nothing in this contract shall be construed to exclude from any indemnity or hold harmless provisions enforceable under subsection (d) (Restriction regarding Indemnitees' Negligence) and subsection (e) (Restriction regarding Fault in Construction Agreements and Design Professional Agreements) any attorneys' fees, litigation or arbitration expenses, or court costs actually incurred by the COUNTY to defend against third party claims alleged in any court, tribunal, or alternative dispute resolution procedure required of the COUNTY by law or by contract, if the fault of the SUBRECIPIENT or its derivative parties is a proximate cause of the attorney's fees, litigation or arbitration expenses, or court costs to be indemnified. Every provision in this contract that violates the parties' intent expressed in the preceding sentence shall be construed and revised to the extent that it is lawful in order to make the provision conform with such intent.

(h) Insurance Contracts and Bonds. This Section does not affect an insurance contract, workers' compensation, or any other agreement issued by an insurer; and this Section does not apply to lien or bond claims asserted under Chapter 44A of the N.C. General Statutes.

(i) Other Provisions. Every provision in this contract that violates subsection (d) (Restriction regarding Indemnites' Negligence), subsection (e) (Restriction regarding Fault in Construction Agreements and Design Professional Agreements), or subsection (f) (Restriction Regarding Negligence of Design Professionals) shall be construed and revised to the extent that it is lawful in order to make the provision conform with those subsections.

(j) Survival. This Section shall remain in force despite termination of this contract (whether by expiration of the term or otherwise) and termination of the services of the SUBRECIPIENT under this contract.

(k) Compliance with Law. This Section shall be applied to the maximum extent allowed by law but it shall be construed and limited as necessary to comply with N.C.G.S. § 22B-1. This Section is not to be construed in favor or against any party as the drafter. The preceding sentence is not intended to imply or direct how the remainder of this Section or of this contract is to be construed.

Section. 8.3. Insurance. The SUBRECIPIENT shall maintain insurance not less than the following:

- (a) Commercial General Liability, covering
 - i. premises/operations
 - ii. products/completed operations
 - iii. broad form property damage
 - iv. contractual liability
 - v. independent contractors, if any are used in the performance of this contract
 - vi. COUNTY of Durham must be named additional insured, and an original of the endorsement to effect the coverage must be attached to the certificate (if by blanket endorsement, then agent may so indicate in the GL section of the certificate, in lieu of an original endorsement)
 - vii. Combined single limit not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
- (b) Automobile Liability Insurance, covering
 - i. Owned, hired, or borrowed vehicles
 - ii. Employee vehicles, if used in performance of this contract
 - iii. Combined single limit not less than \$1,000,000 per occurrence, aggregate limit not less than \$2,000,000 per year
 - iv. This requirement applies only when the scope of work includes transporting children
- (c) Workers' Compensation Insurance, covering
 - i. statutory benefits
 - ii. covering employees, covering owners, partners, officers, and relatives (who work on this contract)
 - iii. employer's liability, \$1,000,000
- (d) All Insurance shall be provided by companies authorized to do business in the State of North Carolina and with a Best rating of A-VIII or better
- (e) Insurance shall be evidenced by a certificate:
 - i. providing notice to the COUNTY of not less than 30 days prior to cancellation or reduction of coverage
 - ii. certificates of insurance shall be addressed to:
 - COUNTY of Durham, North Carolina
 - Attention: Purchasing Department
 - 7th Floor, 201 East Main Street
 - Durham, North Carolina 27701

Both the insurance certificate and the additional insured endorsement must be originals and must be approved by the COUNTY's Finance Director before SUBRECIPIENT can begin any work under this contract.

Section. 8.4. Choice of Law and Forum; Service of Process. (i) This Contract shall be deemed made in Durham County, North Carolina, and shall be governed by and construed in accordance with the law of North Carolina, with the exclusive forum and venue for all actions arising out of this Contract being the North Carolina General Court of Justice, in Durham County. Such actions shall neither be commenced in nor removed to federal court. This subsection (a) shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this subsection. (ii) If the SUBRECIPIENT is not a natural person (for instance, the SUBRECIPIENT is a corporation or limited liability company), this subsection (ii) applies. "Agent for Service of Process" means every person now or

hereafter appointed by the SUBRECIPIENT to be served or to accept service of process in any State of the United States. Without excluding any other method of service authorized by law, the SUBRECIPIENT agrees that every Agent for Service of Process is designated as its non-exclusive agent for service of process, summons, and complaint.

Section. 8.5. Notice.

(a) In General. This subsection (a) pertains to all notices related to or asserting default, breach of contract, claim for damages, suspension or termination of performance, suspension or termination of contract, and extension or renewal of the term.

(b) Means of Delivery of Notice. (i) Common Carrier. All such notices shall be in writing and sent by common carrier or personal delivery. Those sent by common carrier shall include instructions to obtain the recipient's signature and/or a signature at the recipient's address. Common carrier means UPS, FedEx, a designated delivery service authorized pursuant to 26 U.S.C. 7502(f)(2), or United States Postal Service (USPS). (ii) Notice given by Personal Delivery. If the sender causes the notice to be hand delivered to a natural person 18 years or older at the address of the SUBRECIPIENT indicated under subsection (f) below, notice is deemed given. (iii) Common Carrier Leaves Notice. If the sender obtains a signature through a common carrier pursuant to subsection (i), notice is deemed given. If, however, the common carrier does not obtain such a signature between 8:30 AM – 4:30 PM Monday-Friday on a day that is not a Holiday but leaves the notice in a place that it deems safe without obtaining a signature, this process constitutes delivery of the notice provided that the sender also sends the notice by email or fax. Notice is deemed given on the later of (x) the leaving of the notice by the common carrier and (y) the email or fax. A notice is deemed emailed on the date that the sender attempts to send it. A notice is deemed faxed at the earlier of when successfully received or when faxing is unsuccessfully attempted three times at least ten minutes apart. (iv) Requested Additional Method. Regardless of the method of giving notice, the sender is requested but not required to also send it by fax or email.

(c) When Notice Period Is Less than 9 Days. If a required notice period is less than 9 days, the sender is requested to make reasonable attempts, before or promptly after giving notice under subsection (b), also to orally communicate the substance of the contents of the written notice, in person or by telephone. Failure to satisfy this subsection shall not render the written notice invalid.

(d) When Undeliverable Notice Is Deemed Sent by Common Carrier. If a notice sent by common carrier is undeliverable because the address or other information provided to the sender by the other party (the intended recipient) is incorrect, incomplete, or out of date, or for any other reason; and the sender also sends the notice by fax or email, notice is deemed given on the later of (x) the sender's placing the notice in the custody of the common carrier and (y) the fax or email. A notice is deemed emailed on the date that the sender attempts to send it. A notice is deemed faxed at the earlier of when successfully received or when faxing is unsuccessfully attempted three times at least ten minutes apart.

(e) Change of Address. A change of address, fax number, email address, telephone number, or person to receive notice shall be made by notice given to the other party.

(f) Addresses. Subject to change pursuant to subsection (e), the addresses for these notices are:

To the COUNTY:

COUNTY of Durham
7th Floor, 201 East Main Street
Durham, NC 27701

To the SUBRECIPIENT:

Triangle Literacy Council
PO Box 12036
Durham, NC 27709
Email: lwaters@triangleliteracy.org

Section. 8.6. Nonwaiver. No action or failure to act by the COUNTY shall constitute a waiver of any of its rights or remedies that arise out of this Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

Section. 8.7. Performance of Government Functions. Nothing contained in this Contract shall be deemed or construed so as to in any way estop, limit, or impair the COUNTY from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

Section. 8.8. Severability. If any provision of this Contract shall be unenforceable, the remainder of this contract shall be enforceable to the extent permitted by law.

Section. 8.9. Assignment. Successors and Assigns. Without the COUNTY's written consent, the SUBRECIPIENT shall not assign (which includes to delegate) any of its rights (including the right to payment) or duties that arise out of this Contract. The COUNTY Manager may consent to an assignment without action by the Durham County Board of Commissioners. Unless the COUNTY otherwise agrees in writing, the SUBRECIPIENT and all assignees shall be subject to all of the COUNTY's defenses and shall be liable for all of the SUBRECIPIENT's duties that arise out of this Contract and all of the COUNTY's claims that arise out of this Contract. Without granting the SUBRECIPIENT the right to assign, it is agreed that the duties of the SUBRECIPIENT that arise out of this Contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.

Section. 8.10. Compliance with Law. In performing all of the Project, the SUBRECIPIENT shall comply with all applicable law.

Section. 8.11. Notice of COUNTY Policy. THE COUNTY OPPOSES DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, DISABILITY, FAMILIAL STATUS, MILITARY STATUS, SEXUAL ORIENTATION, GENDER IDENTITY, AND PROTECTED HAIRSTYLE AND URGES ALL OF ITS SUBRECIPIENTS TO PROVIDE A FAIR OPPORTUNITY FOR MINORITIES AND WOMEN TO PARTICIPATE IN THEIR WORK FORCE AND AS SUBCONTRACTORS AND VENDORS UNDER COUNTY CONTRACTS.

Section. 8.13. No Third-Party Rights Created. This Contract is intended for the benefit of the COUNTY and the SUBRECIPIENT and not any other person.

Section. 8.14. Principles of Interpretation and Definitions. (1) The singular includes the plural and the plural the singular. The pronouns "it" and "its" include the masculine and feminine. References to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation. References to contracts and agreements shall be deemed to include all amendments to them. The words "include," "including," etc. mean include, including, etc. without limitation. (2) References to a "Section" or "section" shall mean a section of this contract. (3) "Contract" and "Agreement," whether or not capitalized, refer to this instrument. (4) "Duties" includes obligations. (5) The word "person" includes natural persons, firms, companies, associations, partnerships, trusts, corporations, governmental agencies and units, and other legal entities. (6) The word "shall" is mandatory. (7) The word "day" means calendar day. (8) A definition in this Contract will not apply to the extent the context requires otherwise.

Section. 8.15. Modifications. Entire Agreement. A modification of this Contract is not valid unless signed by both parties and otherwise in accordance with requirements of law. Further, a modification is not enforceable against the COUNTY unless it is signed by the COUNTY Manager, a deputy or assistant COUNTY Manager, or, in limited circumstances, a COUNTY department director. This Contract contains the entire agreement between the parties pertaining to the subject matter of this Contract. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Contract.

Section. 8.16. COUNTY's Manager's Authority. To the extent, if any, the COUNTY has the power to suspend or terminate this contract or the SUBRECIPIENT's services under this Contract, that power may be exercised by COUNTY Manager or a deputy or assistant COUNTY Manager without action by the Durham County Board of Commissioners.

IN WITNESS WHEREOF, the COUNTY and the SUBRECIPIENT have caused this contract to be executed under seal themselves or by their respective duly authorized agents or officers.

ATTEST:

COUNTY OF DURHAM

By: _____

preaudit certificate, if applicable _____

Exhibit A: Subaward Data

SUBRECIPIENT Name	Triangle Literacy Council
SUBRECIPIENT Unique Entity Identifier:	56-1530150
Federal Award Identification Number (FAIN):	
Federal Award Date of Award to the Recipient by the Federal Agency:	May 2021
Subaward Period of Performance Start Date:	
Subaward Period of Performance End Date:	May 15, 2025
Amount of Federal Funds Obligated by this Action by the Pass-Through Entity to the SUBRECIPIENT:	\$225,000
Total Amount of Federal Funds Obligated to the SUBRECIPIENT by the Pass-Through Entity Including the Current Obligation:	\$225,000
Total Amount of the Federal Award Committed to the SUBRECIPIENT by the Pass-Through Entity:	\$225,000
Federal Award Project Description:	Bull City Youth Build
Name of Federal Awarding Agency:	Department of Treasury
Name of Pass-Through Entity:	COUNTY of Durham, North Carolina
Contact Information for COUNTY of Durham Authorizing Official:	Dr. Kimberly Sowell 200 East Main Street Durham, NC 27701 919-560-0000
Contact Information for COUNTY Project Manager:	Claudia Hager 200 East Main Street Durham, NC 27701
CFDA Number and Name:	Coronavirus State and Local Fiscal Recovery Funds
Identification of Whether Subaward is R&D:	Not R&D
SUBRECIPIENT Indirect Costs:	See <u>Exhibit C</u> – Approved Budget

Exhibit B: Scope of Work

Purpose:

To prevent criminal activity and recidivism in Durham County youth aged 16 to 24 years of age by providing a full time educational and workforce training program that includes supportive services and intervention.

Impact:

The Pandemic made the study process much more difficult for students already struggling in school. Once in person attendance was prevented, many of these youth did not have the support needed at home for them to continue learning. Those not in school and high school dropouts lacked supervision and were prone to getting in trouble and even involved with criminal activity. Bull City YouthBuild kept its doors open and welcomed these students in to continue they're learning through our educational process. Despite difficult circumstances, 57 of our students made an educational gain, 42% of participants participated in mock job interviews, 100% earned certification in OSHA training, 92% of participants participated in mentoring or leadership activities and 83% participated in Home Builders Institute training to provide them skills in the construction industry.

Triangle Literacy Council offers many educational and workforce development programs. TLC offers Adult Education programs to students that focus on increasing literacy skills that prepare students for successful employment and entry into post-secondary education. TLC uses these and other techniques in its YouthBuild program, a program for out-of-school, high school dropouts who are 16-24 years old in Durham County who meet eligibility requirements and successfully complete Mental Toughness. Students in this program complete the OSHA-10 and HBI-PACT, an industry-recognized program in construction. TLC partners with the NC Department of Public Safety to offer a Juvenile Literacy Program in Durham County that focuses on educational outcomes and mentoring for youth that are court involved. Students are referred through the Juvenile Court System and may be placed in Bull City YouthBuild. The Title II program has over 65% of students remain in the program and post-test after 40-60 hours of instruction. Over 42% of all students complete an educational functioning level in one year, which is equivalent to increasing approximately two grade levels literacy or numeracy skills.

The Bull City YouthBuild program has 75% of its students complete the OSHA-10 and soft skills development curriculum. The Mentoring program has over 30 mentors to work with students 16-18 years old. This program can work as a program both for current YouthBuild students or as a program to train students to join YouthBuild in a later cohort.

TLC will partner with Durham Housing Authority (DHA) to provide students with on-the-job work experience in construction by assisting in the renovation of housing units. Each student will assist in renovating at least one unit of affordable or transitional housing for low-income or homeless individuals living in the McDougald Terrace Apartment Complex, a complex built in 1953 and needs renovation. DHA will assist TLC in placing students with employers who will offer paid apprenticeships. Also, TLC secured a partnership with RHD Property, Inc, a pivotal partner that provides paid apprenticeships for students and is a full-service general contractor active on our Advisory Council who will provide construction sites if students are unable to work on a DHA site for specific skills. The partnership with RHD provides paid apprenticeships for students, viable worksites, and the possibility to land full-time employment. RHD also assists in ensuring that students attain the knowledge and skills needed to successfully obtain their HBI - PACT certification. RHD worksites are in low-income areas throughout East Durham. Additionally, Habitat for Humanity has agreed to provide any additional construction experiences as students need.

Students are asked to set personal and professional goals at intake, including plans for postsecondary credentials. Bull City YouthBuild increases students' abilities to enroll in postsecondary education by providing high levels of instruction and classes that are geared towards post-secondary education. Before classes begin, students are introduced to the overall components of the program during Mental Toughness week. TLC administers thorough in-depth assessments of the academic skills level and service needs of each participant. Students are pre-tested in Reading and Math with the Comprehensive Adult Student Assessment System Greater Opportunities for Adult Learning Success (CASAS GOALS), a U.S. Department of Education's National Reporting System approved standardized tests for use under WIOA. Assessments include high school equivalency pre-tests, structured

interviews, and career guidance instruments to inform instruction. Only those who fulfill all expectations from Mental Toughness and show a commitment to the program are invited to be a part of YouthBuild. Once classes start, TLC will establish a YouthBuild Student Council, which will meet monthly, to assist in developing program activities and serve as a communication channel between students and program staff.

Academic classes will meet two days per week, construction training and /or on-the-job training will be held 1.5 days per week, and Leadership Development/Community Service will be offered one day per week for 3 hours. In partnership with the Durham Housing Authority, on-the-job training for construction will occur at McDougald Terrace Apartment Complex in East Durham, the largest public housing facility in Durham. Students in construction will receive the nationally recognized HBI-PACT certification and earn OSHA certificates of safety. Students will then be encouraged to attend Durham Tech to obtain further certifications in the construction trades. Proposed outcome measures will be that 75% of students will place into employment or education in the second quarter after exit, 69% will place into employment or education in the fourth quarter after exit. Students who exit will earn \$4,000 in the second quarter after exit, 80% will earn a credential within one year of exit, 80% will make a measurable skill gain, and 65% will be employed by the same employer in the fourth quarter after exit.

Performance Measures:

- The number of participants that will be pre-tested in Reading and Math with the Comprehensive Adult Student Assessment System Greater Opportunities for Adult Learning Success (CASAS GOALS), a U.S. Department of Education's National Reporting System approved standardized tests for use under WIOA.
- The number of students that will participate in OSHA training and Home Builders Institute (HBI) certification to obtain experience and credentials in construction trades.
- The number of students that will complete the educational testing process through CASAS and the certification process through OSHA and HBI.
- The number of students that completes their personal and professional goals at intake, including plans for postsecondary credentials.
- TLC will increase the students' abilities to enroll in postsecondary education by providing high levels of instruction and classes that are geared towards post-secondary education.
- Number of unduplicated individuals served by Durham County ARPA grant.
- Number of unduplicated people of color served

Exhibit C: Approved Budget

Consult the COUNTY's Allowable Costs and Cost Principles Policy and the ARP/CSLFRF Final Rule for specific directives and limitations on cost items.

REVENUES	Total Revenue
COUNTY of Durham Coronavirus State and Local Fiscal Recovery Funds Awarded	\$225,000
Budget Cost Categories	Total Expenditures
Personnel (Salary and Wages)	\$90,000
Fringe Benefits	\$7,200
Travel	\$10,800
Supplies	\$9,000
Consultant (Professional Service)	96,000
Occupancy (Rent and Utilities)	\$12,000
Total Direct Costs (add lines 1-15)	\$225,000
Total Indirect Costs	
Total Costs Federal Grant Funds (Lines 16 and 17)	\$225,000
MUST EQUAL REVENUE TOTALS ABOVE	

* The Base is modified direct total costs (MTDC) of the subaward project. Pursuant to 2 CFR 200.68, MTDC means all direct salaries and wages, applicable fringe benefits, materials and [supplies](#), services, travel, and up to the first \$25,000 of each [subaward](#) (regardless of the [period of performance](#) of the [subawards](#) under the award). MTDC excludes [equipment](#), [capital expenditures](#), charges for patient care, rental costs, tuition remission, scholarships and fellowships, [participant support costs](#) and the portion of each [subaward](#) in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the [cognizant agency for indirect costs](#).

Exhibit D: Lobbying Certification

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENTS shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature of SUBRECIPIENT's Authorized Official

Name and Title of SUBRECIPIENT's Authorized Official

Date