**North Carolina Governor's Highway Safety Program**
**Agreement of Conditions/Conflict of Interest**

This Agreement is made by and between the North Carolina Department of Transportation, hereinafter referred to as the "Department", to include the Governor's Highway Safety Program, hereinafter referred to as "GHSP"; and the applicant agency, for itself, its assignees and successors in interest, hereinafter referred to as the "Agency". During the performance of this contract, and by signing this contract, the Agency agrees as follows:

## A. Federal Provisions

1. **Equal Opportunity/Nondiscrimination.** The Agency will agree to comply with all Federal statutes and implementing regulations relating to nondiscrimination concerning race, color, sex, religion, national origin, handicaps, and age. These include but are not limited to:
   - **(a)** Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252);
   - **(b)** The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601)
   - **(c)** Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683 and 1685-1686);
   - **(d)** Non-Discrimination in Federally assisted programs of the United States Department of Transportation
     - Effectuation of Title VI of the Civil Rights Act of 1964 (49 CFR Part 21), hereinafter referred to as "USDOT", as amended;
   - **(e)** Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as amended, and 49 CFR Part 27; and
   - **(f)** The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.);
   - **(g)** The Civil Rights Restoration Act of 1987, (Pub. L. 100-209);
   - **(h)** Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) and 49 CFR parts 37 and 38;
   - **(i)** Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations;
   - **(j)** Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency

2. **Drug Free Workplace.** The Agency agrees to comply with the provisions cited in the Drug-Free Workplace Act of 1988 (41 U.S.C. 8103).

3. **Federal Grant Requirements and Contracts.** The Agency shall comply with the following statutes and the implementing regulations as applicable:
   - **(a)** Highway Safety Act of 1966 (23 U.S.C. Chapter 4 -), as amended;
   - **(b)** Sec. 1906, Pub. L.109-59, as amended by Sec. 4011, Pub. L. 114-94;
   - **(c)** Uniform Procedures for State Highway Safety Grant Programs (23 CFR part 1300);
   - **(d)** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 1201);
   - **(e)** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and all other relevant Federal regulations covering the Highway Safety Program;
   - **(f)** NHTSA Highway Safety Grant Funding Guidance, as revised, July 2015 (www.nhtsa.gov) and additions or amendments thereto.

4. **Political Activity (Hatch Act)** The Agency will comply with provisions of the Hatch Act (5 U.S.C. 1501- 1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

5. **Lobbying.**

   - **(a)** **Certification Regarding Federal Lobbying**. The undersigned certifies, to the best of his or her knowledge and belief, that:

     - **(i)** 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 any 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.

**(ii)** 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.

**(iii)** The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, 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 into 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.

**(b)** **Restriction on State Lobbying**. None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

**6. Audits.**

**(a)** **Audit Required.** Non-Federal entities that spend $750,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR, Subpart F, §200.500. Guidance on determining Federal awards expended is provided in 2 CFR, Subpart F, §200.502.

**(b)** **Single Audit.** Non-Federal entities that expend $750,000 or more in a year in Federal awards shall have a single audit conducted in accordance with 2 CFR, Subpart F, §200.501, except when they elect to have a program-specific audit conducted in accordance with 2 CFR, Subpart F, §200.501, paragraph (c).

**(c)** **Non-Governmental Entities.** Non-governmental entities (not-for-profit and for-profit entities) must adhere to North Carolina General Statute 143C-6.22 and 09 NCAC Subchapter 03M.

**7. Instructions for Lower Tier Certification.**

**(a)** By signing and submitting this proposal, the prospective lower tier participant (the Agency) is providing the certification set out below and agrees to comply with the requirements of 2 CFR Parts 180 and 1200.

**(b)** The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

**(c)** The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed

circumstances.

**(d)** The terms “covered transaction”, “civil judgement”, “debarment”, “suspension”, “ineligible”, “participant”, “ person”, “principal”, and “voluntarily excluded”, as used in this clause, are defined in 2 CFR Part 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.

**(e)** The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

**(f)** The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled “Instructions for Lower Tier Participant Certification” including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR Parts 180 and 1200.

**(g)** A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction, provided that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (https://www.sam.gov/).

**(h)** Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

**(i)** Except for transactions authorized under paragraph 7(e) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies including suspension or debarment.

**(j) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions.**

**(i)** The prospective lower tier participant (the Agency) certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any Federal department or agency.

**(ii)** Where the prospective lower tier participant is unable to certify any of the statements in this certification, such prospective participants shall attach an explanation to this contract proposal.

8. **Buy America Act.** The Agency and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Note that recent DOT waivers allows for waivers under two criteria. A *De Minimis Costs* waiver applies to the total value of the non-compliant products where the cost is no more than the lesser of $1,000,000 or 5% of total applicable costs for the project. The *Small Grants* waiver applies when the total amount of Federal financial assistance applied to the project, through awards or subawards, is below $500,000. The Small Grants waiver may be applied to both financial assistance awards and

subawards, where the subaward is made by a passthrough entity for a specific project. However, it is not applicable to a subaward made under an award of $500,000 or more if the scope of the subaward is not a separately identifiable, independent project.

9. **Prohibition On Using Grant Funds To Check For Helmet Usage.** The Agency and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

10. **Conditions for State, Local and Indian Tribal Governments.** State, local and Indian tribal government Agencies shall adhere to the standards established by 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments and additions or amendments thereto, for principles for determining costs applicable to grants and contracts with state, local and Indian tribal governments.

11. **Conditions for Institutions of Higher Education.** If the Agency is an institution of higher education, it shall adhere to the standards established by 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations and 2 CFR 220 Cost Principles for Educational Institutions for determining costs applicable to grants and contracts with educational institutions.

12. **Conditions for Non-Profit Organizations.** If the Agency is a non-profit organization, it shall adhere to the standards established by 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations and 2 CFR Part 230 Cost Principles for Non-Profit Organizations for determining costs applicable to grants and contracts with non-profit organizations.

13. **Conditions for Hospitals.** If the Agency is a hospital, it shall adhere to the standards established by 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

**B. General Provisions**

1. **Contract Changes.** This document contains the entire agreement of the parties. No prior contract, either oral or implied, shall supersede this Agreement. Any proposed changes in this contract that would result in any change in the nature, scope, character, or funding amount in this contract require a written addendum to this contract on a form provided by the Department.

2. **Subcontracts Under This Contract.** The Agency shall not assign any portion of the work to be performed under this contract, or execute any contract, amendment or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this contract without the prior written concurrence of the Department. Any subcontract under this contract must include all required and applicable clauses and provisions of this contract. Subcontracting does not relieve the Agency of any of the duties and responsibilities of this agreement. The subcontractor must comply with standards contained in this agreement and provide information that is needed by the Agency to comply with these standards. The Agency must submit any proposed contracts for subcontracted services to the Governor's Highway Safety Program for final approval no less than 30 days prior to acceptance.

3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations, either by competitive bidding or negotiation, made by the Agency for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Agency of the Agency's obligations under this contract. Additionally, Agencies making purchases or entering into contracts as provided for by this contract must adhere to the policies and procedures of 2 CFR Part 200 and North Carolina General Statute 143-128.4. Historically underutilized business defined; statewide uniform certification as it pertains to Historically Underutilized Businesses.

4. **Incorporation of Provisions in Subcontracts.** The Agency shall include the provisions of section A-1 through A-13 of this Agreement in every subcontract, including procurements of materials and leases of equipment, unless exempted by the regulations, or directives issued pursuant thereto. The Agency shall take such action with respect to any subcontract or procurement as the

Department, the State of North Carolina, hereinafter referred to as the "State", the National Highway Traffic Safety Administration, hereinafter referred to as "NHTSA", may direct as a means of enforcing such provisions including sanctions for noncompliance. In the event the Agency becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Agency may request the Department or the State to enter into such litigation to protect the interests of the Department or the State. In addition, the Agency may request the NHTSA to enter into such litigation to protect the interests of the United States.

5. **Outsourcing.** All work shall be performed in the United States of America. No work will be allowed to be outsourced outside the United States of America.

6. **Property and Equipment.**
   - (a) **Maintenance and Inventory.** The Agency shall maintain and inventory all property and equipment purchased under this contract.
   - (b) **Utilization.** The property and equipment purchased under this contract must be utilized by the Agency for the sole purpose of furthering the traffic safety efforts of the Agency for the entire useful life of the property or equipment.
   - (c) **Title Interest.** The Department and NHTSA retain title interest in all property and equipment purchased under this contract. In the event that the Agency fails or refuses to comply with the provisions of this Agreement or terminates this contract, the Department, at its discretion, may take either of the following actions:
     - (i) Require the Agency to purchase the property or equipment at fair market value or other mutually agreed to amount; or
     - (ii) Require the Agency to transfer the property or equipment and title of said property or equipment, if any, to the Department or to another Agency, as directed by the Department.
   - (d) **Non-expendable Property.** Non-expendable property is defined as property or equipment having a value of $5000 or more with a life expectancy of more than one year. Non-expendable property purchased under this contract cannot be sold, traded, or disposed of in any manner without the expressed written permission of the Department.

7. **Educational or Other Materials.** If allowed, any educational or other materials developed using funds from this contract must be reviewed and approved by the GHSP prior to their production or purchase. The cost of these materials is generally limited to a maximum of $5.00 per item. The purchase of promotional items and memorabilia are not an allowable cost.

8. **Review of Reports and Publications.** Any reports, papers, publications, or other items developed using funds from this contract must be reviewed and approved by the GHSP prior to their release.

9. **Reimbursement.**
   - (a) **General.** Payments are made on a reimbursement basis. There is no schedule of advance payments. Only actual allowable costs are eligible for reimbursement. Claims for reimbursement must be made a minimum of quarterly and no more than once a month via the Grants Management System. Claims for reimbursement not made within the three month threshold are subject to denial. The itemized invoice shall be supported by documentation of costs as prescribed by the Department. Reimbursements will not be processed if other required reports are incomplete or have not been submitted. Failure to submit complete reports by the required deadline may result in denial of reimbursement.
   - (b) **Approval.** Prior to payment, the itemized invoice must be approved by the Governor's Highway Safety Program and the Department shall approve the itemized invoice prior to payment.
   - (c) **Unapproved Costs.** Any rejected or unaccepted costs shall be borne by the Agency. The Agency agrees that in the event the Department determines that grant funds must be refunded, the Agency will reimburse the Department a sum of money equal to the amount of Federal and State participation in the rejected costs.
   - (d) **Final Claims for Reimbursement.** Final claims for reimbursement must be received by the GHSP within 30 days following the close of the approved contract period. Project funds not claimed by this date are subject to reversion.
   - (e) **Expending Funds Under This Contract.** Under no circumstances will reimbursement be

made for costs incurred prior to the contract effective date or after the contract ending date.

10. **Project Costs.** It is understood and agreed that the work conducted pursuant to this contract shall be done on an actual cost basis by the Agency. The amount of reimbursement from the Department shall not exceed the estimated funds budgeted in the approved contract. The Agency shall initiate and prosecute to completion all actions necessary to enable the Agency to provide its share of the project costs at or prior to the conclusion of the project.

11. **Program Income.** The Agency shall account for program income related to projects financed in whole or in part with federal funds in accordance with 2 CFR 200.307. Program income earned during the contract period shall be retained by the Agency and deducted from the federal funds committed to the project by the GHSP unless approved in advance by the Federal awarding agency as an addition to the project. Program income must be accounted for separately and the records made available for audit purposes.

12. **Project Directors.** The Project Director, as specified on the signature page of this Agreement, must be an employee of the Agency or the Agency's governing body. Any exception to this provision must have the expressed written approval of GHSP.

13. **Reports Required.**
    (a) **Quarterly Progress Reports.** Unless otherwise directed, the Agency must submit Quarterly Progress Reports to the GHSP, on forms provided by the Department, which reflect the status of project implementation and attainment of stated goals. Each progress report shall describe the project status by quarter and shall be submitted to GHSP no later than fifteen (15) days after the end of each quarter. If the Agency fails to submit a Quarterly Progress Report or submits an incomplete Quarterly Progress Report, the Agency will be subject to having claims for reimbursement withheld. Once a Quarterly Progress Report that substantiates adequate progress is received, cost reimbursement requests may be processed or denied at the discretion of GHSP.

    (b) **Final Accomplishments Report.** A Final Accomplishments Report must be submitted to the GHSP within fifteen (15) days of completion of the project, on forms provided by the Department, unless otherwise directed. If the Agency fails to submit a Final Accomplishments Report or submits an incomplete Final Accomplishments Report, the Agency will be subject to having claims for reimbursement withheld. Once a Final Accomplishments Report that substantiates adequate progress is received, claims for reimbursement may be processed or denied at the discretion of GHSP.

    (c) **Audit Reports.** Audit reports required in Section A-6 above shall be provided to the Department within thirty (30) days of completion of the audit.

14. **Out-of-State Travel.**
    (a) **General.** All out-of-state travel funded under this contract must have prior written approval by the Governor's Highway Safety Program.
    (b) **Requests.** Requests for approval must be submitted to the GHSP, on forms provided by the Department, no less than thirty (30) days prior to the intended departure date of travel.
    (c) **Agency Travel Policy Required.** For Agencies other than state agencies, out-of-state travel requests must include a copy of the Agency's travel policy, to include allowances for lodging, meals, and other travel-related expenses. For state agencies, maximum allowable subsistence is limited to the prevailing per diem rates as established by the North Carolina General Assembly.
    (d) **Agenda Required.** Out-of-state travel requests must include a copy of the agenda for the travel requested.

15. **Conditions for Law Enforcement.** In addition to the other conditions provided for in this Agreement, grants to law enforcement agencies are subject to the following:
    (a) **Certifications Required.**
        (i) **In-car Camera or Video System.** For any in-car camera or video system purchased under this contract, it is required that the operator of that equipment has successfully completed Standardized Field Sobriety Testing training (SFST). A copy of this certificate must be filed with GHSP prior to reimbursement of in-car camera or video systems.

(ii) **Radar.** For any radar equipment purchased under this contract, it is required that the operator of that equipment has successfully completed Radar Certification Training. A copy of this certificate must be filed with GHSP prior to reimbursement of radar equipment.

(iii) **Alcohol Screening Devices.** For any preliminary alcohol screening devices purchased under this contract, it is required that the operator of that equipment has successfully completed the Alcohol Screening Test Device training offered by the Forensic Test for Alcohol Branch.

(b) **Report Required - Monthly Enforcement Data Report.** In addition to the reports mentioned above, law enforcement agencies engaging in enforcement activities must submit a Monthly Enforcement Data Report on the form provided by the Department no later than fifteen (15) days after the end of each month. If the Agency fails to submit a Monthly Enforcement Data Report or submits an incomplete Monthly Enforcement Data Report, the Agency will be subject to having cost reimbursement requests withheld. Once a Monthly Enforcement Data Report that substantiates adequate progress is received, cost reimbursement requests will be processed. The Agency head must sign the form. However, the Agency head may assign a designee to sign the form by providing written signature authority to the GHSP.

16. **Conditions for Local Governmental Agencies.**
    (a) **Resolution Required.** If the Agency is a local governmental entity, a resolution from the governing body of the Agency is required on a form provided by the Department.
    (b) **Resolution Content.** The resolution must contain a commitment from the governing body to provide the local funds as indicated in this contract. Additionally, the resolution is required even if the funding is one hundred percent from federal sources, as it serves as recognition by the governing body of federal funding for purposes of Section A-6 above.

17. **Seat Belt Policy and Use.** Agency must adopt and enforce a seat belt use policy required for all seating positions unless exempted by state law.

18. **Text Messaging Policy.** Agency must adopt and enforce a policy banning text messaging while driving unless exempted by state law.

19. **Prohibited Interests.** No member, officer, or employee of the Agency during his or her tenure, and for at least one (1) year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof or therefrom.

20. **Continued Federal and State Funding.**
    (a) **Federal Funding.** The Agency agrees and understands that continuation of this project with Federal funds is contingent upon Federal funds being appropriated by the United States Congress specifically for that purpose. The Agency further agrees and understands that in the event funds originally

    appropriated by Congress for these grants are subsequently reduced by further acts of Congress, funding to the Agency may be proportionately reduced.
    (b) **State Funding.** The Agency agrees and understands that continuation of this project with funds from the State of North Carolina is contingent upon State funds being appropriated by the General Assembly specifically for that purpose. The Agency also agrees that any State funds received under this contract are subject to the same terms and conditions stated in this Agreement.

21. **Performance.** All grants provided by the Governor's Highway Safety Program are performance-based and, as such, require that continual progress be made toward the reduction of the number and severity of traffic crashes. Any agency whose performance is deemed unsatisfactory by the GHSP, shall be subject to the sanctions provided for in this contract. Additionally, unsatisfactory performance shall be cause for the Department to reduce or deny future funding.

22. **Resolution of Disputes.** Any dispute concerning a question of fact in connection with the work not disposed of by contract by and between the Agency and the Department, or otherwise arising between the parties to this contract, shall be referred to the Secretary of the North Carolina Department of Transportation and the authorized official of the Agency for a negotiated settlement. In any dispute concerning a question of fact in connection with the project where such negotiated

settlement cannot be resolved in a timely fashion, the final decision regarding such dispute shall be made by the Secretary of the North Carolina Department of Transportation, with the concurrence of the Federal funding agency, and shall be final and conclusive for all parties.

23. **Department Held Harmless.**
   (a) **For State Agencies.** Subject to the limitations of the North Carolina Tort Claims Act, the Agency shall be responsible for its own negligence and holds harmless the Department, its officers, employees, or agents, from all claims and liability due to its negligent acts, or the negligent acts of its subcontractors, agents, or employees in connection with their services under this contract.
   (b) **For Agencies Other Than State Agencies.** The Agency shall be responsible for its own negligence and holds harmless the Department, its officers, employees, or agents, from all claims and liability due to its negligent acts, or the negligent acts of its subcontractors, agents, or employees in connection with their services under this contract.

24. **Records Access and Retention.** The Agency shall provide all information and reports required by the regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department, the State, NHTSA, or FHWA, as appropriate, to be pertinent to ascertain compliance with such regulations, orders and instructions. Furthermore, the Agency shall maintain such materials during the contract period, and for five (5) years from the date of final payment from the Department or until all audit exceptions have been resolved, for such inspection and audit. Where any information required of the Agency is in the exclusive possession of another who fails or refuses to furnish this information, the Agency shall certify to the Department, State, NHTSA, or FHWA, as appropriate, and shall set forth what efforts it has made to obtain the information. Pursuant to N.C.G.S. §147-64.7, the Department, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Agency insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of this Agreement or to costs charged to this Agreement.

25. **Sanctions for Non-Compliance.** The applicant Agency agrees that if it fails or refuses to comply with any provisions and assurances in this contract, the Department may take any or all of the following actions:
   (a) Cancel, terminate, or suspend this contract in whole or in part;
   (b) Withhold reimbursement to the Agency until satisfactory compliance has been attained by the Agency;
   (c) Refrain from extending any further funding to the Agency under this contract with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the Agency;
   (d) Refer the case to the United States Department of Justice for appropriate legal proceedings.

26. **Cancellation, Termination, or Suspension of Contract.**

   (a) **By the Department.** For noncompliance with any of the said rules, regulations, orders or conditions, due to management deficiencies or criminal activity, this contract may be immediately canceled, terminated, or suspended in whole or in part by the Department. For noncompliance not indicative of management deficiencies or criminal activity the Department shall give sixty (60) days written notice to take corrective action. If the Agency has not taken the appropriate corrective action after sixty (60) days the Department may cancel, terminate, or suspend this contract in whole or in part.
   (b) **By mutual consent.** The Agency or the Department may terminate this contract by providing sixty (60) days advanced written notice to the other party.
   (c) **Unexpended funds.** Any unexpended funds remaining after cancelation or termination will revert to the Department.

27. **Completion Date.** Unless otherwise authorized in writing by the Department, the Agency shall commence, carry on, and complete the project as described in the approved Highway Safety Project Contract by September 30 of the Federal fiscal year for which it was approved.

28. **E-Verify requirements.** If this contract is subject to NCGS 143-133.3, the contractor and its subcontractors shall comply with the requirements of Article 2 of Chapter 64 of the NC General Statutes.

29. **CERTIFICATION ON CONFLICT OF INTEREST**

a) No employee. officer, or agent of a State or its subrecipient who is authorized in an official capacity to negotiate. make, accept, or approve. or to take part in negotiating. making, accepting, or approving any subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee. officer. or agent any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward. Based on this policy:

(b) The recipient shall maintain a written code or standards of conduct that provide for disciplinary actions for violations of such standards by officers, employees, or agents.
(c) The code or standards shall provide the recipient's officers, employees. or agents may may neither solicit or accept gratuities, favors, or anything of monetary value from present or potential subawards, including contractors or parties to subcontracts.
(d) The code or standards shall establish penalties, sanctions, or other disciplinary actions for violations as permitted by State or local law or regulations.

The recipient shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

30. **The end date for the Agency's fiscal year is** _____

31. **Signature.** By signing below, the Agency agrees to adhere to the terms and conditions of this Agreement.

| **AGENCY PROJECT DIRECTOR** | | |
|---|---|---|
| NAME | TITLE | ADDRESS |
| SIGNATURE | DATE | TELEPHONE NUMBER |
| **AGENCY AUTHORIZING OFFICIAL** | | |
| NAME | TITLE | ADDRESS |
| SIGNATURE | DATE | TELEPHONE NUMBER |
| **AGENCY OFFICIAL AUTHORIZED TO RECEIVE FUNDS** | | |
| NAME | TITLE | ADDRESS |
| SIGNATURE | DATE | TELEPHONE NUMBER |