

 <p>SURPRISE ARIZONA</p>	<p>Finance Department Policy and Procedure EXTERNAL GRANT COOPERATION</p>	
<p>PROCESS: Grant Cooperation Between the City of Surprise and Outside Organizations</p>		
<p>POLICY REFERENCE:</p>		
<p>ISSUE DATE: April 5, 2017</p>	<p>LAST AMENDED DATE:</p>	<p>EFFECTIVE DATE: April 5, 2017</p>
<p>FINANCE DIRECTOR APPROVAL:</p>		

PURPOSE:

To identify the policy and procedure for organizations that wish to enter into an external grant cooperation agreement with the City of Surprise (“City”) to apply for, accept, and administer grant funding.

ELIGIBILITY:

Other governmental organizations and non-profit organizations with a 501c3 designation that are based in Surprise, or provide services in the community are eligible to apply for external grant cooperation with the City.

DEFINITIONS:

Applicant: A governmental entity or non-profit organization that applies for an external grant cooperation agreement with the City to enhance opportunities and services for Surprise residents.

Grantee: A qualified applicant that has entered into an external grant cooperation agreement with the City.

External Grant Cooperation Agreement: A formal agreement, approved by the City Manager, between the City and a Grantee to apply for, accept, and administer grant funding.

Grant: A contribution to be used or expended for a specific purpose, activity, or project.

Grantor: A person or institution that provides funding or other resources for a specific purpose, activity, or project.

Local: Within the City of Surprise, AZ.

Non-Profit Organization: A corporation or association with a 501c3 designation that conducts business for the benefit of the general public without shareholders and without a profit motive.

Sponsoring Department: A City of Surprise department which agrees to provide support to the Grantee for the duration of the external grant agreement. (“Department”)

POLICY:

1. City Manager approval is required for the City to be listed as a joint applicant on a grant application. If grant funding is awarded, an external grant cooperation agreement must be completed and approved by the City Manager and City Attorney. City Council approval is required to accept any and all grant funding.
2. No organization is authorized to apply for grant funding with the City listed as a joint applicant without prior approval from the City Manager. If an organization fails to adhere to this policy and submits a grant application with the City listed as a co-applicant without prior approval, the City may decline acceptance of grant funding if awarded.
3. Eligible organizations may apply to enter into an external grant cooperation agreement with the City. These agreements are intended to provide the applicant with support in applying for, accepting, and administering grant funding.
4. Applicants who are interested in entering into a cooperation agreement are responsible for identifying a department to sponsor the applicant.
5. An administrative fee of up to 10% of the grant funding awarded may be assessed to the grantor or the grantee. The Finance Director has the discretion to waive this fee.
6. A department that agrees to sponsor an applicant is responsible for coordinating and discussing the programmatic requirements of the grant with the grantor and ensuring the requirements are met. The sponsoring department is also responsible for submitting all required actions to the City Manager, City Attorney, and City Council as required by this policy and coordinating all activities and communication between the grant applicant, Principal Accountant, and other City staff who are involved in the grant process.
7. Sponsoring departments will provide reasonable opportunities to potential applicants, but are under no obligation to agree to meet with applicants, schedule applicant presentations, or enter into an agreement.

8. The City will use the following criteria to evaluate applications:
 - a. Benefit to the residents of the City
 - b. Relation to the City Council's Strategic Plan
 - c. Applicant presentation
 - d. Requirements set forth by the Grantor
 - e. Availability of a sponsoring department
 - f. Potential for conflicts of interest
 - g. Financial impacts to the City

PROCEDURE:

1. The applicant must identify a grant opportunity. The City will not research or recommend grants to an applicant.
2. The applicant must contact the director of a City of Surprise department at least 60 days before the grant application deadline to request a meeting to present their proposal. This meeting is only to determine if the department is willing and able to coordinate with the applicant and does not constitute approval to move forward with a joint grant application.
 - a. Meetings are scheduled at the discretion of the department director; an applicant's request for a meeting does not require a department director to meet with the applicant.
 - b. If a meeting is granted by the department director, the meeting must occur no less than 45 days from the grant application deadline established by the Grantor. The department director will include the principal accountant and any other pertinent City staff at the sponsorship meeting.
 - c. The application will be evaluated on the criteria set forth in Section 8 of the Policy above. The applicant will present, at minimum, the following information:
 - i. Amount of potential grant award, performance period of grant agreement, and Grantor name.
 - ii. Detail on what the grant funds will be used for and how it will benefit the residents of the City.
 - iii. Proof that the applicant's organization is a 501c3 non-profit organization (if applicable) and proof that the organization is providing services within the City limits.
 - iv. Identify a single point of contact within their organization for grant coordination.
 - v. Demonstrate knowledge of and ability to comply with the Grantor's terms and reporting requirements.
 - d. The department director will contact the applicant within 10 business days of the initial meeting to inform the applicant if the department will agree to cooperate in the grant application. If the department declines, the decision is final.
3. If the department agrees to cooperate in the grant application, the department will do the following:

- a. Present the potential agreement to the City Manager and request approval to apply for grant funding with the applicant. This must occur no less than 30 days from the grant application deadline set forth by the grantor. A template for the City Manager approval memo is provided in this document as **Exhibit I**.
 - b. Coordinate the grant application with the principal accountant. If deemed an allowable expense by the Grantor, the administrative fee will be included as part of the application.
 - c. If grant funding is awarded, request City Manager and City Attorney approval of an External Grant Cooperation Agreement and present the grant award at a Regular City Council meeting for acceptance of grant funding and a budget amendment (if applicable). A template for the External Grant Cooperation Agreement is provided in this document as **Exhibit II**.
4. Grant billing will be managed by the principal accountant. The applicant/grantee will provide all documentation to support the expenditure of grant funds as required by the grantor to the principal accountant.
 - a. The principal accountant may provide standard forms, spreadsheets, etc. to reconcile the grant billing.
5. The sponsoring department will be responsible for record retention for the duration set forth by the grantor and/or other state and federal agencies.
6. Audits conducted by the grantor and/or other state and federal agencies will be coordinated by the principal accountant. The sponsoring department and external grantee will provide all requested documentation to facilitate the audit process.

EXHIBIT I



[Department Name]

Memorandum

To: [Click **here** and type name], City Manager
cc: [Click **here** and type name]
From: [Click **here** and type name]
Date: 1/8/2020
Re: External Grant Cooperation Application

Dear [Type name of City Manager],

The [department name] is requesting your approval for the City of Surprise to be listed as a joint applicant with [applicant name] to apply for grant funding from [grantor name] for [explain project and benefits to the City].

On [date of application meeting] the [department name] met with [applicant name] to discuss their proposal. After evaluating the proposal and discussing the grantor's requirements with the Finance Department, the [department name] wishes to sponsor this applicant on behalf of the City. Per the External Grant Cooperation Policy, City Manager approval is required for all joint grant applications with external applicants.

APPROVED

Date: _____

[Type name, City Manager]

EXHIBIT II

CITY OF SURPRISE, ARIZONA

GRANT COOPERATION AGREEMENT

THIS AGREEMENT is entered into [DATE], between the City of Surprise, Arizona, a municipal corporation ("City"), and [external partner name], a [entity type] organization ("Grantee").

RECITALS

WHEREAS, [explain the background of the grant application, grant amount, grant purpose, etc. in as many whereas statements as necessary];

WHEREAS, the City will be named as co-applicant on the grant application;

WHEREAS, the City accepts the [grant name] grant in the amount of [amount] on behalf of [external applicant name]; to undertake the program outlined in Exhibit A;

NOW, THEREFORE, for and in consideration of the mutual benefits as set out herein, it is agreed as followed:

1. Grantee shall perform the project as submitted in its grant application for the [grantor name] and as described in Exhibit "A" ("Project").
2. Grantee will submit reports as may be required by the City regarding the Project to be accomplished under this Agreement.
3. To the fullest extent permitted by law, Grantee will indemnify, defend and hold harmless the City and its council members, officers, boards, commissions, officials, employees, or agents (collectively the "Indemnified Party"), for, from, and against any and all losses, claims, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, claims processing, investigation, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions with respect thereof) relate to, arise out of, or are caused by, or in connection with the Project.
4. Grantee is an independent contractor and is not an agent or employee of the City, and all persons used by the Grantee in connection with the Project shall be organization employees, volunteers and/or independent contractors engaged by Grantee and not the City of Surprise, and shall have no claim against the City for compensation or other benefits available to employees of the City.
5. The City will distribute to Grantee for the Project, a sum not to exceed [grant amount] by [enter date payment will be made to Grantee], consistent with the information submitted by Grantee and the approved budget for the Project. Grantee will submit a project update report for all eligible expenses incurred with receipts by [deadline date]. All funds must be spent no later than [deadline date], with a final report due by [deadline date] or within 30 days of the project completion; whichever comes first. Funds paid for the Project will be used only for

this Project and will not be diverted by Grantee to any other person or used for any other purpose.

6. This contract shall be effective from the date this agreement is executed by all parties through [end date]. (“Term”)
7. The Project shall be completed on or before the expiration of the Term. The Project, (program, event, and/or activity) will be open or available to all residents of Surprise without discrimination based on race, color, national origin, religion, familial status, sex, age, disability, sexual orientation, gender identity or marital status.
8. Insurance:
 - a. Insurer Qualifications. Without limiting any obligations or liabilities of Grantee, Grantee must purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an A.M. Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City’s option.
 - b. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Grantee. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve Grantee from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
 - c. Grantee and subcontractors must procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Grantee, its agents, representatives, employees or subcontractors.
 - d. The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Grantee from liabilities that might arise out of the performance of the work under this Agreement by Grantee, its agents, representatives, employees, or subcontractors, and Grantee is free to purchase additional insurance.
 - e. Minimum Scope and Limits of Insurance. Grantee must provide coverage with limits of liability not less than those stated in this Agreement below.

i. Commercial General Liability – Occurrence Form

The policy must include bodily injury, property damage, personal injury, and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products - Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability – Written and Oral	\$1,000,000

Each Occurrence \$1,000,000

The policy must be endorsed to include the City of Surprise and its departments, agencies, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of Grantee.

The policy must contain a waiver of subrogation against the City of Surprise and its departments, agencies, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Grantee.

- ii. Professional Liability (Errors and Omissions Liability) [DELETE THIS SECTION IF GRANTEE IS NOT A FIRM THAT PROVIDES PROFESSIONAL SERVICES SUCH AS AN ENGINEER OR ARCHITECT]

The policy must include professional liability coverage.

Each Claim \$500,000
Annual Aggregate \$1,000,000

- a) In the event that the professional liability insurance required by this Agreement is written on a claims-made basis, Grantee warrants that any retroactive date under the policy will precede the effective date of this Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Agreement is completed.
 - b) The policy must cover professional misconduct or lack of ordinary skill for work performed as part of the Project.
- f. Grantee's Coverage is Primary. Grantee's insurance coverage will be primary insurance with respect to all other available sources. Coverage provided by Grantee may not be limited to the liability assumed under the indemnification provisions of this Agreement.
 - g. Notice of Cancellation. Each insurance policy required by this Agreement must provide the required coverage and may not be suspended, voided, canceled, or reduced. Grantee must provide the City with prompt notice if the insurance is suspended, voided, cancelled, or reduced. Such notice must be sent directly to the City's procurement division.
 - h. Acceptability of Insurers. Insurance must be obtained from duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The City in no way warrants that the above-required minimum-insurer rating is sufficient to protect Grantee from potential insurer insolvency.
 - i. Verification of Coverage. Grantee will furnish the City with a declarations page for each policy, as well as any amendments or riders in order to verify contractual insurance requirements are being satisfied.

- 9. This Agreement is for the convenience of the City and may be immediately terminated without cause after receipt by the Grantee of written notice by the City.
- 10. The final decision in resolving any dispute arising between the Grantee and the City will rest with the City of Surprise.

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read, understand, approve, and accept all of the provisions of this agreement and the attachments thereto.

City of Surprise

Grantee

City Manager

Title: _____

Date: _____

Date: _____

Tax ID# (if appropriate): _____

APPROVED AS TO FORM:

City Attorney's Office

EXHIBIT A – Program Proposal

EXHIBIT B – Grant Agreement