GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF MILITARY, TENNESSEE EMERGENCY MANAGEMENT AGENCY
AND
SHELBY COUNTY

This Grant Contract, by and between the State of Tennessee, Department of Military, Tennessee Emergency Management Agency, hereinafter referred to as the "State" and Shelby County, hereinafter referred to as the "Grantee," is for the provision of pass-through funding to fund costs related to Public Safety Interoperability Communication (PSIC) grant associated with implementing the Statewide Communication Interoperability Plan (SCIP) in accordance to the U.S. Department of Homeland Security Appropriations Act of 2007, as further defined in the "SCOPE OF SERVICES."

Grantee Federal Employer Identification Number: 626000841 47

A. SCOPE OF SERVICES:

A.1. The Grantee shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Grant Contract.

A.2. Provision of 3 Portable Radio Towers and 3 Caches of Portable Radios for emergency use. These towers and radios would be available in the event of a large incident requiring radios and/or towers to support additional responders or to provide temporary communications capability in the event of a disaster that disables some, or all, of the existing radio towers. These towers will be multi-band (VHF, UHF, and 700/800 MHz) so that they can support any of the primary radio systems within District 11. The radios will be a combination of VHF, UHF and 700/800 MHz radios. Each cache of radios will include 25 portable radios. These radios will be available for use throughout District 11 as well as for response throughout the State. These towers and caches of radios will be located to allow for support and quick response throughout District 11.

This project will provide additional radios to incoming mutual aid responders to allow them to communicate on the local command and tactical channels, including the National and State Interop. Channels. These portable towers and radio caches will be pre-positioned, and be available to all agencies, throughout District 11. District 11 includes Shelby, Fayette, Tipton, and Lauderdale Counties. The public safety agencies involved will include police, sheriff, fire, EMS, and EMA in these counties.

This project will also include training and development of Communications Unit Leaders (COML), as well as training for dispatch and public safety personnel in radio operations and interoperability. This training will prepare personnel to oversee the communications operations at emergency incidents. It is desired that a COML Train-the-Trainer Class will be provided along with a general COML Class.

A.3 Each Grant funded from the FFY 2007 PSIC will be in accordance with the FFY 2007 PSIC guidance and State of Tennessee's Statewide Communications Interoperability Plan (SCIP)

A.4. Each Grantee has provided to the State the Investment Justification, which will be validated by the State and approved by the U.S. Department of Homeland Security (DHS), prior to the Grantee initiating purchases, training or any other activity to be paid with these funds.

A.5. The Grantee will provide to the State a Biannual Strategy Implementation Report (BSIR) to update the Investment Justification, as of the end of June (due July 15th) and end of December (due January 15th).

A.6. The Grantee agrees to be responsible for the sustainment of previously established homeland security efforts as well as FFY 07 PSIC projects. The Grantee further agrees that the federal funds received by this agreement will be used to supplement, but not to supplant any funds for local governments.

A.7. The Grantee agrees to comply with the financial and administrative guidelines as established by the U.S. Department of Homeland Security, Preparedness Directorate, Office of Grants and Training, Office of Grant Operations (OGO) Financial Guide. The Grantee further agrees to comply with the audit requirements of Office of Management and Budget (OMB) Circular A-133 and the standards put forth by OMB Circular A-87, that deals with cost principles for local governments.

A.8. The Grantee supports the implementation of the SCIP to address the identified planning, equipment, training and exercise needs . In addition, the Grantee will agree to comply with the implementation of the National Preparedness Goal (NPG), and the NRF.

A.9. The Grantee will comply with the Cash Management Act and understands that no federal funds received by the Grantee may be invested in an interest bearing account.

B. GRANT CONTRACT TERM:

B.1. This Grant Contract shall be effective for the period commencing on July1,2008 and ending on June 30,2010. The State shall have no obligation for services rendered by the Grantee which are not performed within the specified period.

B.2. Term Extension. The State reserves the right to extend the Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract, and shall be based upon rates provided for in the original Contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Seven hundred twenty seven thousand, dollars ($727,000). The Grant Budget, attached and incorporated herein as a part of this Grant Contract as Attachment 1, shall constitute the maximum amount due the Grantee for the service and all of the Grantee's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

C.2. Compensation Firm. The maximum liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

C.3. Payment Methodology. The Grantee shall be compensated for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon progress toward the completion of the work, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.

C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as

they are amended from time to time and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, to:

Tennessee Emergency Management Agency
PSIC Project Manager
3041 Sidco Drive
Nashville, TN 37204

a. Each invoice shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

(1) Invoice/Reference Number (assigned by the Grantee);
(2) Invoice Date;
(3) Invoice Period (period to which the reimbursement request is applicable);
(4) Grant Contract Number (assigned by the State to this Grant Contract);
(5) Account Name: Department of Military, Tennessee Emergency Management Agency;
(6) Account/Grantor Number (uniquely assigned by the Grantee to the above-referenced Account Name);
(7) Grantee Name;
(8) Grantee Federal Employer Identification Number or Social Security Number (as referenced in this Grant Contract);
(9) Grantee Remittance Address;
(10) Grantee Contact (name, phone, and/or fax for the individual to contact with invoice questions);
(11) Complete Itemization of Reimbursement Requested for the Invoice Period, which shall detail, at minimum, the following:

i. Reimbursement Amount Requested by Grant Budget Line-Item for the invoice period (including any travel expenditure reimbursement requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations");
ii. Amount Reimbursed by Grant Budget Line-Item to Date;
iii. Total Amount Reimbursed under the Grant Contract to Date; and
iv. Total Reimbursement Amount Requested (all line-items) for the invoice period.

b. The Grantee understands and agrees that an invoice to the State under this Grant Contract shall:

(1) include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described in Grant Contract Section A subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements; and
(2) not include any reimbursement requests for future expenditures.

c. The Grantee agrees that timeframe for reimbursement begins when the State is in receipt of each invoice meeting the minimum requirements above.

d. The Grantee shall complete and sign a "Substitute W-9 Form" provided to the Grantee by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Grant Contract for the Grantee. The Grantee shall not invoice the State under this Grant Contract until the State has received this completed form.

e. The Grantee shall submit invoices within forty-five (45) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. Invoices submitted more than forty-five (45) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not result in funding for a line-item that was previously funded at zero dollars ($0.00) and do not increase the total Grant amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any such approval shall be superseded by a subsequent revision of the Grant Budget by contract amendment, and any increase in the total Grant amount shall require a contract amendment.

C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit a final invoice and grant disbursement reconciliation report within sixty (60) days of the Grant Contract end date and in form and substance acceptable to the State.

a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the Section C, Payment Terms and Conditions of this Grant Contract, the Grantee shall refund the difference to the State. The Grantee shall submit said refund with the final grant disbursement reconciliation report.

b. The State shall not be responsible for the payment of any invoice submitted to the state after the final invoice and grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the final invoice to be allowable and reimbursable by the State, and such invoices will NOT be paid.

c. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.

d. The Grantee must close out its accounting records at the end of the grant period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

C.8. Indirect Cost. Should the Grantee request reimbursement for indirect cost, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency and the State. The Grantee will be reimbursed for indirect cost in accordance with the approved indirect cost rate to amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the grant period. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency and the State. If the indirect cost rate is provisional during the term of this agreement, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.

C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Grant Contract period.

C.10. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein.

C.11. Unallowable Costs. The Grantee's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, not to constitute allowable costs.

C.12. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Grantee under this or any Contract between the Grantee and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Grantee.

C.13. Automatic Deposits. The Grantee shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Grantee by the State. Once this form has been completed and submitted to the State by the Grantee all payments to the Grantee, under this or any other contract the Grantee has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Grantee shall not invoice the State for services until the Grantee has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Grant Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. Should the State exercise this provision, the Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.

D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Grant Contract below pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.