

GRANT AGREEMENT
BETWEEN THE
UNITED STATES DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
AND THE
UNIVERSITY OF PUERTO RICO
COLLEGE OF AGRICULTURAL SCIENCES
AGRICULTURAL EXPERIMENT STATION

PROJECT:

This grant agreement is made between the U. S. Department of Agriculture (USDA), the Natural Resources Conservation Service (NRCS), and University of Puerto Rico, College of Agricultural Science, Agricultural Experimental Station

I. AUTHORITY

- CIG was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under Section 1240H of the Food Security Act of 1985, as added by Section 2509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246).

II. PERIOD OF AWARD

This grant award shall be effective from the date of signature and continue in full force and effect for a period of three (3) years. Work shall commence not earlier than 1 October 2009 and shall continue until 30 September 2012.

III. PURPOSE

- To establish a demonstration of a composting system for farmers and the general community and EQIP eligible customers interested in Organic production.
- Develop of and organic vegetable garden using composted material as organic fertilizer.
- Establish an outreach program will provide farmers with the necessary education and demonstration activities to ease the transition from conventional to organic agriculture.

IV. CONTACTS

A. Programmatic:

UNITED STATES DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

Jaime Valentin, CIG Program Manager
USDA -Natural Resources Conservation Service
654 Muñoz Rivera Avenue, Suite 604
Hato Rey, PR 00918
Tel. 787-766-5206, Extension 229
Fax. 787-766-5987
Email; Jaime. Valentin @pr.usda.gov

UNIVERSITY OF PUERTO RICO
AGRICULTURAL EXPERIMENT STATION
Jardín Botánico Sur
1193 Calle Guayacan, San Juan, PR 00926-1118

B. Federal Grant Representative (FGR) and Technical Contact:

After date of award and signature of both parties, NRCS will designate a Federal Grant Representative and technical contact to work closely with the grantee for the duration of the project. The grantee will be notified through separate correspondence from NRCS of the designated FGR and technical contact.

C. Administrative:

UNITED STATES DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

Ms. Oriel Velez
Contracting Officer
USDA -Natural Resources Conservation Service
654 Muñoz Rivera Avenue, Suite 604
Hato Rey, PR 00918
Tel. 787-766-5206, Extension 242
Fax. 787-766-5987
Email address: oriel.velez@pr.usda.gov

UNIVERSITY OF PUERTO RICO
AGRICULTURAL EXPERIMENT STATION
Jardín Botánico Sur
1193 Calle Guayacan, San Juan PR 00926-1118

V. DELIVERABLES:

1. To develop and deliver technical information related to the process of composting and its effect on vegetable crop production.
2. Establish a demonstration composting system using organic materials from the Gurabo Substation
3. Demonstrate the use of conservation technology in the establishment of an organic vegetable garden.
4. Establish an outreach program that will provide farmers and EQIP eligible producers the necessary education and demonstration activities to ease the transition from conventional to organic methods as well as to NRCS CIG personnel.

VI. PAYMENT LIMITATIONS

Funding for this grant is from the Environmental Quality Incentives Program (EQIP). Each CIG Project must involve producers that are eligible to receive payments under EQIP. Grants and participating producers must comply with a number of provisions related to EQIP and EQIP eligibility:

1. NRCS EQIP funding in the amount of Forty five thousand nine hundred dollars (\$45,900) has been obligated for this effort. Section 1240G of the Food Security Act of 1985, 16 U.S.C. 3839aa-7, imposes a \$300,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between fiscal years 2008 and 2012. The limitation applies to grant funds that are provided, either directly or indirectly, to an individual or entity to carry out structural, vegetative, or management practices. The grant funds provided count toward each individual's or entity's EQIP payment limitation. The procedures and policies of the EQIP (7 CFR 1466) will be followed to implement this payment limitation for this grant. Also, the grantee will follow reporting requirements as outlined in IX below.
2. Adjusted Gross Income: Authority for implementing the average Adjusted Gross Income (AGI) provisions applicable to Commodity Credit Corporation (CCC) programs administered by the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) is the Food, Conservation, and Energy Act of 2008 (Pub. L 110-246). All Conservation Programs administered by NRCS including: CRP, AMA, AWEP, CSTP, CCPI, EQIP, FRPP, GRP, WRP, WHIP, the 3-year average Nonfarm AGI shall not exceed \$1-million, unless at least 66.66% of the total AGI was adjusted gross farm income. This limitation may be waived on a case-by-case basis for environmentally sensitive land of special significance.
3. Highly Erodible Land (HEL) and Wetlands Conservation Compliance: The Food Security Act of 1985, as amended, requires that all persons that produce agriculture commodities must protect all cropland classified as being highly erodible from excessive erosion, as well as protecting wetlands. The provisions have been amended in the 1990, 1996, and 2002 Farm Bills.

VII. FUNDING AND PAYMENT PROCEDURES

1. NRCS EQIP funding in the amount of Forty five thousand nine hundred dollars (\$45,900) has been obligated for this effort.
2. The maximum financial obligation of NRCS under this grant award is the amount of funds obligated for the project. This amount is stated in VI.1 and on the approved attached budget. However, in the event that an erroneous amount is stated on the approved budget, or any supporting document relating to this grant award, NRCS shall have the unilateral right to make the correction and to make an appropriate adjustment in the NRCS share of the award to align with the federal amount authorized.
3. Requests for payment shall be submitted by the grantee quarterly. Requests will cite the grant number, fund citation, remittance address, and billing period. The SF-270s are to be submitted to the programmatic contact identified in IV.A. The 270s are due on the 15th day of December, March, June and September of each year, during the term of the agreement.

Fund Citation: 0976F72

4. Payments received under this agreement should use the electronic funds transfer (EFT) procedures in accordance with 31 Code of Federal Regulations (CFR) 208. EFT procedures will comply with USDA National Finance Center (NFC) requirements. The NFC website may be accessed at www.fms.treas.gov/eft/forms/hmtl and grantee may download the SF 3881, ACH Vendor/Miscellaneous Payment Enrollment Form. Instructions are included on how to complete the form. Also please provide a Tax Identification Number (TIN) and address where remittance is to be sent.
5. The method of payment between the grantee and its contractors shall be in accordance with the policies and procedures established by the grantee, except that the contractors may not use the USDA OFM/NFC method to request payments. If the grantee makes advance payments to contractors, it shall ensure that the timing of such payments is designed to minimize elapsed time between the advance payment and the disbursement of funds (usually 30 days). Payment requests from the grantee's contractors shall not be sent to NRCS for review or approval.
6. Costs incurred in excess of the NRCS share of approved project costs under this grant are the sole responsibility of the grantee.
7. Work performed under this grant is subject to inspection and evaluation at all times by officials of NRCS, or by any of their duly authorized representatives, through such mechanisms as the review of performance reports and site visits.

VIII. FINANCIAL REPORTING

1. Grantees receiving federal funds of more than \$25,000 are required to submit a SF-272 (Report of Federal Cash Transactions), and when necessary, the continuation sheet, SF-272-A, no later than 15 days following the end of each quarter or 90 days after project completion. These reports are used to monitor cash advanced to recipients and to obtain disbursement and outlay information for each award. Reports are to be submitted to the NRCS administrative contact identified in section IV.C.
2. Grantees must submit to the NRCS CIG Program Manager a quarterly report of expected expenses. The report is due on the 20th of September, December, March and June of each year, during the term of the agreement.
3. Grantees must submit a Financial Status Report (SF-269) are due on the 15th day of October, January, April and July of each year during the term of the agreement. The report should be submitted to the NRCS administrative contact identified in section IV.C, with a copy to the Program Manager.

IX. MONITORING AND REPORTING

1. The grantee is responsible for monitoring day-to-day project performance to ensure that project goals and performance are met, for containing costs, and for ensuring that progress is reported to NRCS in a timely manner. Changes in plans that are seen as materially accelerating or delaying established performance schedules or resulting in costs deviations shall be reported immediately to the NRCS programmatic contact identified in section IV.A. Failure to provide notification of problems that could impact schedules or costs or failure to report performance in a timely manner will be considered performance deficiencies.
2. To satisfy formal reporting requirements, regular progress reports must be submitted by the grantee. Every 6 months the grantee (proponent) must submit a written performance progress report to the NRCS technical contact at the address shown in section IV.A above. This report is distinct from the quarterly financial report outlined in section VIII above. Each report shall cover work performed during the previous 6-month period, including any funded or unfunded time extensions, a comparison of actual accomplishments to project goals, and a statement of work projected to be completed in the next 6-month period. A progress report template will be provided to grantees by the NRCS programmatic contact identified in IV.A.
3. The FGR and the technical contact will have technical oversight responsibility for the project. The grantee must send copies of each biannual progress report to the FGR and technical contact, and comply with any requests for information from these individuals.

4. Thirty days prior to the expiration date, the grantee shall receive a letter indicating that the grant will expire and a final report must be submitted within 90 days after completion of project detailing project activities, funding received and expended, results, potential for transferability of results, and conclusion. This report shall be submitted to the programmatic contact identified in IV.A.

X. PRIOR APPROVAL REQUIREMENTS

The following are the most common situations requiring prior approval. However, the grantee is also bound by any other prior approvals requirements of the applicable administrative provisions and federal cost principles as stated in paragraph XII.

A. Purpose or Deliverables

When it is necessary for the grantee to modify the purpose or deliverables, the grantee must submit to the NRCS administrative contact a justification for the change along with the revised purpose or deliverables of the award.

B. Change Key Personnel

When it is necessary for the grantee to change key personnel, the grantee must submit a written request to the NRCS administrative contact to change the key personnel. The request should contain a copy of the new individual(s) qualifications and a signature of the proposed replacement signifying his/her willingness to serve on the project.

C. Subcontractual Arrangements

The grantee must submit to the NRCS administrative contact a justification for the proposed subcontractual arrangements, a statement of work to be performed, and a detailed budget for the subcontract. Subcontractual arrangements disclosed in the application do not require additional post-award approval.

D. Absence or Change in Project Leadership

When a Project Director, or the person responsible for the direction or management of the project:

- a. Relinquishes active direction of the project for a period of more than three consecutive months, or has a 25 percent or more reduction in time devoted to the project the grantee must notify the NRCS administrative contact in writing identifying who will be in charge during the project director's absence. The notification should include the qualifications and a signature of the replacement signifying his/her willingness to serve on the project.
- b. Severs his/her affiliation with the grantee, the grantee options include:

- i. Replacing the project director. The grantee must request in writing from the NRCS administrative contact approval of the replacement and must include the qualifications and a signature of the replacement signifying his/her willingness to serve on the project.
 - ii. Subcontracting to the former project director's new organization. The grantee must request approval from the administrative contact to replace the project manager and retain the award, but subcontract to the former project director's new organization certain portions of the project to be completed by the former project director.
 - iii. Relinquish the award. The grantee must submit to the NRCS administrative contact a signed letter by the grantee and the project director which indicates the grantee is relinquishing the award. The letter should include the date the project director is leaving and a summary of progress to date. A final SF-269, which reflects the total amount of funds spent by the awardee, should be attached to the letter.
- c. Transfer the award to his/her new organization. The authorized organizations representative at the new organization must submit as soon as the transfer date is firm, and the amount of funds to be transferred is known, to the NRCS administrative contact:
- i. The forms and certifications included in the application package.
 - ii. A project summary/work statement covering the work to be completed under the project (deliverables and objectives must be the same as those outlined in the approved proposal).
 - iii. An updated qualifications statement for the project director showing his/her new organizational affiliation.
 - iv. Any cost sharing requirements under the original award transfer to the new institution, therefore, cost-sharing information, must be included in the proposal from the new organization.

NOTE: The transfer of an award from one organization to another can take up to 90 days to accomplish, this may result in a delay in the project director resuming the project at the new organization.

E. No-Cost Extension of Time

When a no-cost extension of time is required, the grantee shall submit to the NRCS administrative contact a written request no later than 30 days prior to the expiration date of the award. The request shall contain the following:

- a. The length of additional time required to complete the project and a justification for the extension.
- b. A summary of progress to date.
- c. An estimate of funds expected to remain unobligated on the scheduled expiration date.
- d. A projected timetable to complete the portion(s) of the project for which the extension is being required.
- e. Signature of the grantee and the project director.
- f. A status of cost-sharing to date.

NOTE: An extension will not exceed 12 months. Only in exceptional cases will more than one extension be granted. The award period including any subsequent authorized extension shall not exceed 3 years.

Request(s) for no-cost extensions received after the expiration of the award will not be granted.

XI. PATENTS, INVENTIONS, AND COPYRIGHTS

- A. Allocation of rights to patents, inventions, and copyrights shall be in accordance with 7 CFR 3019.36. This regulation provides that small businesses normally may retain the principle worldwide patent rights to any invention developed with USDA support. This provision also applies to commercial organizations for the purposes of this grant.
- B. 37 CFR Part 401.14 requires the disclosure of each subject invention to the federal agency within two months after the inventor discloses it in writing to contractor personnel responsible for patent matters. Invention disclosure statements pursuant to 37 CFR Part 401.14(c) shall be made in writing to:

Management Services Division
Grants and Agreements Staff
1400 Independence Avenue, SE
Room 5221 South Building
Washington, DC 20250
- C. USDA receives a royalty-free license for federal government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically.
- D. The acknowledgement of NRCS support must appear in the publication of any material, whether copyrighted or not, and any products produced in electronic formats (e.g. World Wide Web pages, computer programs, etc.) which is substantially based upon or developed under this award:

- This material is based upon work supported by the Natural Resources Conservation Service, U.S. Department of Agriculture; under number (grantee should enter the applicable award number here).

In addition, all publications and other materials, except scientific articles or paper published in scientific journals, must contain the following statement:

- “Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.”

The grantee is responsible for assuring that an acknowledgement of NRCS is made during news media interviews, including popular media such as radio, television, and news magazines that discuss in a substantial way work funded by this award.

XII. PROVISIONS AND CERTIFICATIONS

A. Administrative Provisions:

This grant and contracts, or other agreements at any tier under this grant shall be governed to the extent applicable by the following provisions that are appropriate to the type of organization receiving the award, regardless of tier, as are in effect on the effective date of award and hereby incorporated by reference.: (The full text for CFR references may be found at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page 1>)

1. 7 Code of Federal Regulations (CFR) Part 3015, “Uniform Federal Assistance Regulations;”
2. 7 CFR Part 3016, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;”
3. 7 CFR Part 3017, “Government-wide Debarment and Suspension (Nonprocurement);”
4. 7 CFR Part 3018, “New Restrictions on Lobbying;”
5. 7 CFR Part 3019, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations;”
6. 7 CFR Part 3021, “Government-wide Requirements for Drug-Free Workplace (Financial Assistance);”
7. 7 CFR Part 3052, “Audits of Institutions of Higher Education and other Nonprofit Institutions;”
8. 2 CFR Part 215, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations (OMB Circular A-110);”
9. Treasury Circular 1075, “Withdrawal of Cash from the Treasury for Advances under Federal and Other Programs;” which are hereby incorporated by reference.

B. Federal Cost Principles:

Allowable project costs shall be determined in accordance with the authorizing statute, the purpose of the grant award, and to the extent applicable, by the following federal costs principles that are applicable to the type of organization receiving the award, regardless of tier, as are in effect on the effective date of award and hereby incorporated by reference: (The full text for OMB Circulars may be found at <http://www.whitehouse.gov/omb/circulars/>).

1. OMB Circular A-21, "Cost Principles for Institutions of Higher Education," Relocated to 2 CFR, Part 220;
 2. OMB Circular A-87, "Cost Principles for State and Local Governments," (Including certain Indian tribal governments), Relocated to 2 CFR, Part 225;
 3. OMB Circular A-122, "Cost Principles for Nonprofit Organizations" other than Institutions of higher education, Relocated to 2 CFR, Part 230; and
 4. Federal Acquisition Regulations, Part 31, (<http://www.acqnet.gov/far>) "Contract Costs Principles and Procedures."
- C. The attached assurance and certifications (SF-424B) are hereby incorporated into this grant award.
- D. The grantee will have sufficient funds available to meet any non-federal costs necessary to ensure completion of approved project plans.
- E. The grantee is not delinquent on any federal debt, pursuant to OMB Circular No. A-129, "Managing Federal Credit Programs."
- F. The grantee will conduct all procurement activities in a manner that provides, to the maximum extent possible, free and open competition.
- G. The grantee is responsible, without recourse of NRCS or USDA, for the settlement and satisfaction of all contractual and legal issues arising out of arrangements entered into between the grantee and third parties to carry out approved project activities. Matters concerning violation of law should be referred to the federal, state, or local authority having proper jurisdiction.
- H. The Federal Travel Regulations will serve as a guideline for any travel performed under this grant.
- I. Employees of the NRCS shall participate in efforts under this agreement solely as representatives of NRCS. To this end, they shall not serve or participate as directors, officers, or employees of the grantee, or otherwise serve or hold themselves out as representatives of grantee. They also shall not assist the grantee with efforts to lobby Congress or to raise money through fund-raising efforts. NRCS employees must avoid any conflict of interest, or the appearance thereof, related to efforts under this agreement. Further, NRCS employees shall immediately report to their immediate

supervisor any negotiations or discussions that they have with the grantee concerning future employment and, upon engaging in such discussions or negotiations, shall refrain from participation in matters regarding the grantee until approved by the agency.

XIII. AMENDMENTS/CHANGES

This grant may be amended or modified by written amendment to the award through an exchange of correspondence between authorized officials of the grantee and NRCS. This award can be terminated by NRCS, if NRCS determines that the grantee has failed to comply with the terms, conditions, and provisions of this award. In the event this award is terminated for any reason, the financial obligations of the parties will be those set forth in the CFR Title 7, Part 3015, subpart N, which is incorporated by reference.

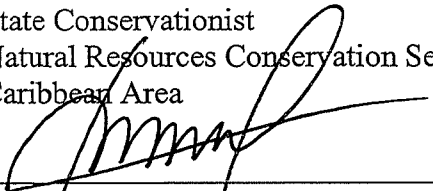
XIV. SPECIAL TERMS AND CONDITIONS

In accordance with 2CFR 215.14, NRCS imposes the following special condition on the grantee:

The grantee shall be paid on a reimbursable basis only. This additional requirement is imposed because NRCS cannot determine from the grantee's application for award whether the federal funds requested and cost-sharing or matching are necessary and reasonable for proper and efficient accomplishment of the project and program objectives. The grantee shall submit the required information to the NRCS administrative contact described in IV.C. After a review of the information and it satisfies the requirements of 2CFR 215.23, this additional requirement may be rescinded.

Accepted by:

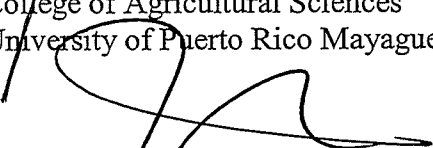
JUAN A. MARTINEZ
State Conservationist
Natural Resources Conservation Service
Caribbean Area



DATE

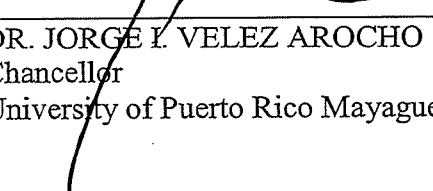
8/12/09

DR. JOHN FERNANDEZ VAN CLEVE
Dean and Director
College of Agricultural Sciences
University of Puerto Rico Mayaguez Campus



DATE

DR. JORGE I. VELEZ AROCHO
Chancellor
University of Puerto Rico Mayaguez Campus



DATE
Sept 3, 2009