

**AMENDMENT NUMBER 2**

The Texas Commission on Environmental Quality (TCEQ), and the City of Fort Worth, agrees to amend Contract No. 582-15-50123 to extend the term of the contract and increase the total compensation possible under the contract to include funding for FY17. The City of Fort Worth will continue to conduct air pollution control services performed within the jurisdiction of the City of Fort Worth in accordance with the Texas Health and Safety Code §382.0622.

1. The total compensation possible under this contract is increased as follows:

The Original Contract Amount	\$275,233.00
Contract Amendment No. 1 (FY16)	\$275,233.00
<u>Contract Amendment No. 2 (FY17)</u>	<u>\$275,233.00</u>
The Total Contract Amount	\$825,699.00

2. The Maximum Amount of Contract is increased to \$825,699.00
3. The Term of Contract is extended to August 31, 2017.
4. The reimbursement for contract activities will be based on allowable program costs approved by TCEQ.
5. Paragraph 2 of the Special Terms and Conditions is amended to read as follows:

Each request for payment must show the cumulative amount of match provided by the PERFORMING PARTY for the fiscal year. The final request for payment must show that the 33% local match has been provided, calculated based on the Total Program Cost. If the first quarter (September through November), second quarter (December and February), and third quarter (March and May) requests for payment do not reflect that the 33% local match has been provided, PERFORMING PARTY shall provide the amount of the match shortage and a statement each quarter acknowledging that it anticipates meeting the 33% local match requirement by the time the final request for payment is submitted.

6. Paragraph 1.6 of the Scope of Work in the Administrative Regulations section is amended to read as follows:

Financial Status Report. Within 60 days of the last day of the quarter, each request for payment must be accompanied by a quarterly Financial Status Report (FSR). The FSR form is Attachment A to this Agreement. The approved budget column of the FSR will come from the Cost Budget. The PERFORMING PARTY will indicate the Match Amount on the FSR. The FSR includes on a separate line, the total amount that is being matched by the PERFORMING PARTY.

The PERFORMING PARTY shall submit the final FSR with the fourth quarter invoice for each fiscal year. With each FSR, the

PERFORMING PARTY shall submit a list of property purchased wholly or partially with funds from this Agreement and having a unit acquisition cost of \$5,000 or more. This requirement for a final FSR is in addition to the FSR required to be submitted with each invoice. The FSR Form Instructions are Attachment B of the Contract Documents. The requirements of this Section shall survive the termination of this Agreement.

7. Paragraph 1.8 of the Scope of Work in the Administrative Regulations section is amended to read as follows:

The PERFORMING PARTY shall implement and maintain the quality control procedures on ShareNet.

8. Paragraph 1.9 of the Scope of Work in the Administrative Regulations section is amended to read as follows:

Annual Work Plan Development. TCEQ will provide a draft Work Plan no later than July 15 of each fiscal year, and the parties will make all reasonable efforts to agree on a final Work Plan by August 15 of each fiscal year. The Work Plan will be consistent with the direction and intent of the Compliance Monitoring Strategy for the TCEQ Air and/or Stage II programs. The Work Plan will cover an entire fiscal year of program activity. The Work Plan will show the types of tasks or activities, the number of tasks to be completed within the fiscal year. A sample Work Plan can be found in Attachment D. Oversight of the Work Plan Activities is stated in Section 3 of this Scope of Work.

9. Paragraph 2.2 of the Scope of Work in the Performance Evaluations section is amended to read as follows:

Work Product Evaluations. Evaluations will be conducted of PERFORMING PARTY's work utilizing standardized procedures and will typically be conducted by one or more persons designated with that task by the TCEQ Regional Representative or designee. Evaluations may include work product evaluations and joint oversight investigations. The TCEQ Regional Representative will perform a minimum of two joint oversight investigations per fiscal year of the contract period. A joint investigation is an investigation in which a TCEQ representative accompanies the PERFORMING PARTY during an investigation for the primary purpose of oversight. TCEQ may independently audit investigations at entities which the PERFORMING PARTY investigated. Additionally, the TCEQ Regional Representative or designee will evaluate investigation reports submitted by the PERFORMING PARTY.

TCEQ will provide written assessments of each work product evaluated, including, work product evaluations and joint oversight investigation results to the PERFORMING PARTY's representative by the 7<sup>th</sup> working day of the month following the evaluation, or at another mutually agreed time.

10. Paragraph 3.1 in the Requirements Applicable to All Work Activities of the Scope of Work is amended to read as follows:
  - 3.1 TCEQ will not reimburse the PERFORMING PARTY for work not included in this Scope of Work, or which exceeds the quantities in the Work Plan unless prior written approval is obtained.
  
11. Paragraph 3.2.1 in the Requirements Applicable to All Work Activities of the Scope of Work is amended to read as follows:
  - 3.2.1 Program. The PERFORMING PARTY shall implement and conduct an investigation for each work activity on the approved work plan with listed output greater than zero. The PERFORMING PARTY shall comply with the requirements of the most recent TCEQ Records Management procedures, Public Information Request procedures, and Enforcement procedures, in addition to the guidance documents and policies on the TCEQ ShareNet.
  
12. Paragraph 3.2.2 Work Plan Activities in the Requirements Applicable to All Work Activities of the Scope of Work is amended to read as follows:

TCEQ shall prepare and submit a detailed proposed Work Plan to the PERFORMING PARTY no later than July 15. PERFORMING PARTY shall review proposed work plan and select the number and type of investigations consistent with the TCEQ Compliance Monitoring Strategy and effecting maximum benefit for air pollution control. On-site investigations at the same site in successive fiscal years may only be conducted if required by the Compliance Monitoring Strategy or approved by TCEQ. TCEQ may approve all or part of the activities in the proposed Work Plan. Upon approval of the Work Plan and list of sources required in 3.2.3.1, the TCEQ Project Manager will issue a Notice to Proceed with a copy of the approved Work Plan, the list of sources, and work plan activity code description document. TCEQ will reimburse the PERFORMING PARTY's program costs for approved and agreed upon Work Plan completed activities.
  
13. Paragraph 3.2.3 Work Plan Activities in the Requirements Applicable to All Work Activities section of the Scope of Work is amended to read as follows:
  - List of Sources. The TCEQ shall develop and maintain a list of sources subject to recurring planned investigations by applying the Compliance Monitoring Strategy for the Air and Waste Programs, as applicable. This CCEDS generated list will be the only record of deliverables and will not be substituted by any form of recordkeeping, including but not limited to databases and excel spreadsheets.
  - 3.2.3.1 Reserved.

3.2.3.2 Stage II list. If approved and directed by the TCEQ the PERFORMING PARTY may utilize a list of Stage II facilities in their jurisdiction only if the list is pulled directly from an approved TCEQ database. The List of All Facilities shall identify all motor vehicle fuel dispensing facilities within the PERFORMING PARTY's territorial jurisdiction where Stage II vapor recovery equipment was required by TCEQ rules. This list must be reconciled quarterly as the fiscal year progresses, and must be approved if used for Work Plan development in any fiscal year.

3.2.4 All investigations completed by the PERFORMING PARTY shall be entered into CCEDS in accordance with the TCEQ guidance manuals available on ShareNet. Unless otherwise specifically stated in writing by TCEQ, an investigation is considered a "complete work task" only when it is approved in CCEDS. The PERFORMING PARTY shall only invoice for approved investigations.

14. Paragraph 3.2.5.1 of the Scope of Work in the Requirements Applicable to All Work Activities section is amended to read as follows:

In accordance with the most current version of the FOSOP, the PERFORMING PARTY shall initiate an appropriate enforcement action on every air violation it detects while performing any investigation under this Agreement. If the PERFORMING PARTY identifies any non-air violations, it shall notify the TCEQ Regional Representative and TCEQ Project Manager in writing within 14 calendar days so that the respective regional staff can take any necessary actions to address the issues, as long as the PERFORMING PARTY does not hold any other jurisdiction over the violation.

15. Paragraph 3.2.8.5 Monthly Reporting of the Scope of Work in the Requirements Applicable to All Work Activities section is amended to read as follows:

3.2.8.5 For each activities approved during the month, the original investigation report including attachments (or a list of reports, if the TCEQ Regional Representative and the PERFORMING PARTY agree), and approved enforcement referral packages, including attachments.

16. The Cost Budget Sheet is amended as follows:

## Cost Budget

### Cooperative Reimbursement Contract for State Agencies and Local Governments

**Budget.** Authorized budgeted expenditures for work performed are as follows:

Budget Category	Cost for Work to be Performed
Salary / Wages	\$
Fringe Benefits	\$
Travel	\$
Supplies	\$
Equipment	\$
Contractual	\$
Construction	\$
Other	\$
Indirect Costs	\$
<b>Total</b>	<b>\$</b>

#### Indirect Cost Reimbursable Rate.

The reimbursable rate for this Contract is \_\_\_\_\_ % of (check one):

- salary and fringe benefits**
- modified total direct costs**
- other direct costs base**

**If other direct cost base, identify:**

**This rate is less than or equal to (check one):**

- Predetermined Rate—an audited rate that is not subject to adjustment.**
- Negotiated Predetermined Rate—an experienced-based predetermined rate agreed to by Performing Party and TCEQ. This rate is not subject to adjustment.**
- Default rate**—a standard rate of ten percent of salary/wages may be used in lieu of determining the actual indirect costs of the service.

**Other.** If Budget Category “Other” is greater than \$25,000 or more than 10% of budget total, identify the main constituents:

**Travel.** In order to be reimbursable, travel costs must be specifically authorized in advance of the travel. Travel costs will be reimbursed only in the amount of actual costs, up to the maximum allowed by law for employees of the State of Texas at the time the cost is incurred.

**Budget Categories.** The Budget Categories above have the definitions, requirements and limitations stated in UGMS. Construction costs are not reimbursable without prior, specific written authorization from TCEQ.

**Budget Control.**

- a. Cumulative transfers equal to or less than 10% of the Total Budget.** Performing Party may transfer amounts between the approved direct cost budget categories so long as cumulative transfers from direct cost budget categories during the Contract Period do not exceed ten percent (10%) of the Total Budget amount. Performing Party must timely submit a Budget Revision Request (BRR) Form reflecting the revised budget. Upon approval by TCEQ, the BRR will be incorporated into this Contract as though it is a document revised under General Term and Condition Section 1.2. The 10% limit does not reset with the approval of each BRR. It resets when an amendment is signed by the parties reflecting changes to the budget.
- b. Cumulative transfers greater than 10% of the Total Budget.** TCEQ must **pre-approve in writing** all budget revisions that result in the cumulative transfer from direct cost budget categories of funds greater than 10% of the Total Budget during the Contract Period. The Performing Party must request to amend the Contract. A contract amendment is required **before** Performing Party incurs these costs.
- c.** Performing Party may not transfer amounts to budget categories containing zero dollars without TCEQ pre-approval in writing.

**Invoice Submittal.** Unless otherwise stipulated in the Contract, invoices must be submitted to the individual named in TCEQ Project Representatives and Records Location at monthly intervals. Final invoices shall be submitted within two (2) calendar months after completing the Scope of Work activities. TCEQ may unilaterally extend this deadline by e-mail.

- a. All invoices must be submitted in a format that clearly shows how the budget control requirement is being met.**

**Supporting Records.** Performing Party shall submit records and documentation to TCEQ as appropriate for the review and approval of reimbursing costs. TCEQ may reject invoices without appropriate supporting documentation. TCEQ has the right to request additional documentation such as

expenses for the invoice period, year-to-date expenses, projected totals for the year (or applicable contract period), percent of budget spent to date, and percentage of budget projected to be spent. Performing Party shall maintain records subject to the terms of this Contract.

**Indirect Costs.** Performing Party's indirect costs will be reimbursed at the reimbursable rate entered above. If no reimbursable rate is shown above, indirect costs are not reimbursable under this Contract. The reimbursable rate must be less than or equal to the rate authorized under UGMS. To the extent that the reimbursable rate is lower than Performing Party's actual indirect costs, Performing Party is contributing its unreimbursed indirect costs to the successful performance of this Contract, and waives any right it may have to reimbursement of those costs (if this Contract requires matching funds, Performing Party may claim its unreimbursed indirect costs as part or all of its match). Performing Party must fund all unreimbursed indirect costs from other funds. It is the Performing Party's responsibility to ensure that unreimbursed indirect costs are not charged to other projects which do no benefit from them, and that it uses funding sources that may be properly used to fund its unreimbursed costs.

All other conditions and requirements of Contract Number 582-15-50123 remain unchanged.

**RECEIVING AGENCY**

**Texas Commission on  
Environmental Quality**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Stephanie Bergeron Perdue.  
Printed Name

\_\_\_\_\_  
Deputy Executive Director  
Title

\_\_\_\_\_  
Date

**PERFORMING PARTY**

**City of Fort Worth**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date