

# Special Award Conditions

**Award Number:** NT11BIX5570001

**Amendment Number:** 3

## 1) Corrective Action Plan/Change to "Reimbursement-Only" ASAP Payment Status

Change to Reimbursement Only Payment Status

NOAA has placed EAGLE-Net's ASAP account on reimbursement-only status immediately. This means that you will not be permitted to draw down funds through the ASAP system until authorized by the NOAA Grants Office. You may submit a request for payment at most monthly, but you must submit a request at least quarterly. Information on award payments can be found in Section A.02 of the DOC Financial Assistance Standard Terms and Conditions. Due to the relatively short period of time remaining in the period of performance, NOAA and NTIA expect that your award will remain on reimbursement-only status until the end of the closeout period.

Corrective Action Plan

**REQUIRED CORRECTIVE ACTION:** The CAP items below apply to your BTOP Comprehensive Community Infrastructure grant award. Please respond to your NTIA Program Officer and NOAA Grants Specialist no later than September 7, 2012 regarding the requests below.

### 1. Financial Controls and Unallowable Costs

A. Please provide documentation showing that EAGLE-Net has fully implemented SunGard and that this system is now being used to track BTOP grant-related accounts and expenditures. This should include a copy of EAGLE-Net's financial management procedures, which indicate how SunGard is being used.

B. Please submit a copy of the BTOP general ledger, from the start of the BTOP award. The general ledger should show that EAGLE-Net's accounts have been reconciled and that all transactions have been captured in SunGard.

C. Please submit a detailed description of (1) recent measures taken to improve its financial controls and (2) financial controls it will continue to implement to safeguard BTOP assets.

D. Please provide a listing of all unallowable costs that were removed from the BTOP grant and the costs to which the funds were reallocated. This list should provide the amount of each unallowable cost, the date of each unallowable cost, a detailed description of each unallowable cost, and a description of how the costs were allocated to the BTOP project and then reallocated to other costs. EAGLE-Net must also fully describe the costs to which the funds were reallocated.

E. Please provide brief narrative responses to the questions below.

i. Does EAGLE-Net owe the Federal government any funds as a result of the unallowable costs it identified?

ii. When EAGLE-Net reallocated the unallowable costs to other costs, were all of the new costs allowable?

iii. Had any of those new costs already been paid with grant funds or program income?

### 2. Match

#### A. G4S

i. Please provide a copy of the signed match agreement between EAGLE-Net and G4S, noting principal, interest rate, payment terms, and other terms and conditions. In the documentation, G4S should acknowledge the Federal Government's first priority security interest in the grant-funded assets.

ii. Please provide a schedule of loan disbursements from G4S and provide the estimated quarters when EAGLE-Net plans to book the G4S contribution.

**B. CDOT ROW**

- i. Please explain the discrepancy between the numbers of CDOT ROW miles in the match matrix (572 miles) and in the environmental assessment (305 miles).
- ii. Please provide additional detail regarding the valuation of the CDOT ROW. Specifically:
  1. Who performed the valuation (CDOT or an independent third party)?
  2. What is the dollar value of the benefits CDOT will derive from the EAGLE-Net project? Does CDOT's valuation take this value into account?
  3. How do the three conduits that CDOT is receiving on the Interstate-25 corridor and fibers on other routes factor into the valuation of CDOT's match contribution?
- iii. Please clarify whether EAGLE-Net will use all 572 miles listed on the CDOT valuation or whether EAGLE-Net plans to purchase IRUs on some of the routes.
- iv. If EAGLE-Net plans to use any additional miles of CDOT ROW as match, please provide information regarding those miles, including the number and location of additional miles and whether they are along approved BTOP routes. If any of these miles have been valued, please provide a copy of the valuation.

**C. Tri-State Generation and Transmission Association, Inc.**

- i. Please provide documentation describing the terms and conditions of the (b) (4) proposed match from Tri-State, including the timing of payments and the benefits to be provided to Tri-State.
3. Budget
  - A. Please submit a revised SF-424C, detailed budget, and budget narrative to the Grants Online System via an Award Action Request. Your budget revision should take into account actuals to date and include all proposed sources of match.
  - B. Using the categories described on the SF-424C and detailed budget from your application, please provide a summary of your budget status, reflecting the project's budget, as well as the current and project budget performance for each category (under/over/in-line).
  - C. For any deviations in budget which may impact your ability to complete your project as awarded, please provide a narrative explaining the situation, how it will impact the project, and what action you are taking to address the budgetary issue.
  - D. Please provide a copy of your updated pro forma projections and detail any need for bridge financing.

Please provide all necessary information to address these CAP items no later than the date noted above. Failure to respond to this CAP in a timely or comprehensive manner may result in additional corrective action, including suspension of your award.

**Due Date: 09/07/2012**