

Special Award Conditions

Award Number: NT10BIX5570096

Amendment Number: 4

1) Special Award Conditions - Virgin Islands Public Finance Authority-NT10BIX5570096

The Recipient must satisfactorily address the terms and conditions of the attached letter and the following special award conditions by no later than October 3, 2011. Pursuant to 15 CFR Part 24.43, Enforcement, failure to provide adequate documentation to NTIA and to the NOAA Grants Office to support these conditions will result in the suspension of this award on October 14, 2011.

Program Management:

1. **Organizational Structure:** Provide a more detailed organizational chart outlining the roles and responsibilities of all current and projected viNGN and PFA staff associated with this award, including 3P Consulting support, showing which organization current and proposed employees are employed and whether the role is or will be funded by Federal funds for this grant award. The response should explain viNGN's role as sub-recipient and PFA's oversight. PFA must also provide copies of both viNGN and PFA's articles of incorporation, by-laws, and the PFA's services contract with 3P Consulting.

Financial Management:

2. Fiscal Controls:

- a. Provide a list of staff in the PFA authorized to make draw-down requests through ASAP.
- b. PFA must provide copies of its policies and procedures that address timesheet approval for Program Director time, whether funded by Federal funds or supplied as match. PFA must provide completed timesheets demonstrating that it has implemented these policies.

3. Match

- a. **Match Eligibility:** Please provide a list of the specific permits and approvals that were secured by WAPA to ensure that the deployment of the marine fiber stood in full compliance with all environmental laws and regulations. The associated \$4,000,000 in-kind match is not eligible until a review by the EA team concludes that WAPA undertook the appropriate steps, or if lacking, that viNGN takes the appropriate steps to address all NEPA requirements.
- b. **Valuation:** Ensure that all match valuation documentation is in the Grants File.

4. **Program Income:** Provide NTIA with a plan as to how program income received will be incorporated into the project (e.g., as match, additive, etc.).

5. Budget Amendment:

- a. Submit an Award Action Request (AAR) that reprograms the budget to include the excavation equipment already procured.

- b. Submit an AAR specifying that viNGN is a subrecipient of PFA.

Grants Management

6. Audits: File the overdue annual A-133 Audit report.
7. Subrecipient Monitoring: The PFA must develop a subrecipient monitoring plan to monitor the activities of its subrecipients, including viNGN.
8. Property Management: Develop, document, and implement Asset/Property Management Policy and Procedures.
9. Procurement Policy: Provide a copy of meeting notes demonstrating when the PFA board adopted its Procurement Policy addendum to the USVI Territory Procurement Policy.
10. Contracts: The agreement between viNGN and the Atlantic Engineering Group (AEG) should be revised to include a task order for each project to facilitate the submission of invoices.
11. Third Party Relationship Management: Provide an overview of the PFA s processes, procedures, and systems used to manage third-party contributor and contractor relations.
12. Recordkeeping: Provide an overview of how the PFA complies with the requirement to document and maintain a property record of property acquired or improved with Federal funds.
13. Reporting: Provide a process flow, identifying the individual responsible for each step of reporting for PFA quarterly Performance Progress Report (PPR), FFR, and American Recovery and Reinvestment Act reporting.
14. Sole Source Justification: Resubmit sole source justification for excavation equipment outlining how procurement followed USVI and PFA s procurement policies.

Due Date: 10/03/2011

2) High Risk Designation Special Award Condition- NT10BIX5570096

This recipient is hereby designated high risk pursuant to 15 C.F.R. § 24.12 due to deficient financial and procurement management systems and severely inadequate or non-existent internal controls. In order to drawdown funds the recipient must submit a SF-270 Request for Advance or Reimbursement for payment. Once the deficiencies have been resolved the recipient may request reconsideration of this designation.