

## CAPITAL PROJECTS GRANT AGREEMENT

This Agreement (“**Agreement**”) is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the State of Maryland (“**State**”), acting through the Board of Public Works (**BPW**), and the \_\_\_\_\_ (“**Grantee**”), whose federal taxpayer identification number is \_\_\_\_\_ and the (“**Beneficiary**”), whose federal taxpayer identification number is \_\_\_\_\_.

### Recitals

- A. Grantee has requested grant assistance from the State and has completed the Capital Projects Grant Application.
- B. The General Assembly has authorized this Grant titled **Project Title** provided that Grantee expends the money only for the purposes outlined below.
- C. Grantee has no property interest in the Project, which is owned by the Beneficiary, \_\_\_\_\_.

Therefore, the State, Grantee, and Beneficiary agree as follows:

1. *Purpose.* Grantee and Beneficiary may use grant funds for the following purpose only (“**Project**”): \_\_\_\_\_ (See **Enabling Act**: DGS Item G, Chapter     of the Laws of Maryland 201; which is incorporated herein by reference.)
2. *Grant.* After the BPW approves this Agreement, the State shall periodically provide grant funds (“**Grant**”) to, or on behalf of, Grantee or Beneficiary not to exceed the lesser of: (\$ ) or the amount of Grantee's matching fund according to the matching fund requirement as stated in the Enabling Act.
3. *Termination or Reduction of Authorization.* The BPW, in its sole discretion, may reduce or terminate the authorization to provide the Grant in the event: (a) Grantee fails to provide evidence of the required matching fund by 6/1/2020; or (b) no part of the Project is under contract by 6/1/2025 or (c) the Project is abandoned. The Enabling Act's authorization automatically terminates for any grant funds that are unexpended or unencumbered by 6/1/2025.
4. *Matching Fund.* If the Enabling Act requires, Grantee must provide and expend a matching fund. Failure to prove any required matching fund may affect the authorization pursuant to Paragraph 3 of this Agreement.

5. Disbursement of Grant. Subject to the availability of funds, the BPW may periodically authorize payment to, or on behalf of, Grantee or Beneficiary funds in an amount not to exceed the Grant amount.
6. Limitations on Use. The BPW or its designee may, in its sole discretion, disapprove requests for disbursement or expenditure of Grant funds that are not consistent with or are not specifically related to the Project purpose or this Agreement generally.
7. Term. This Agreement terminates if the BPW terminates the grant authorization under Paragraph 3 without issuing bonds. Otherwise, this Agreement is in effect so long as any State general obligation bonds issued, sold, and delivered to provide funds for this Grant, remain outstanding, or for such longer period as the parties may agree.
8. Payment Procedure. Payment procedures contained in the most recent edition of *Maryland Capital Grants Projects: Information for State of Maryland Capital Grant Recipients* [<http://dgs.maryland.gov/page/grants/index.aspx>] are incorporated herein by reference. The State shall make payment to, or on behalf of, Grantee or Beneficiary in accordance with those procedures and any other terms and conditions as the BPW, in its sole discretion, may impose.
9. Reports:
  - (a) Section 7-402 of the State Finance and Procurement Article, Annotated Code of Maryland, requires Grantee to submit a verified report that fully and accurately accounts for appropriate Grant expenditures. Requests for payment made in accordance with Paragraph 8 of this Agreement are deemed to comply with Section 7-402.
  - (b) Grantee shall submit other reports or information as the State may periodically require, including project status reports and certified audit reports.
10. Communications. Communications must be addressed as follows:

**To the State:**

*Office of the Comptroller*  
 Capital Grants Program Administrator  
 80 Calvert Street, Room 215  
 Annapolis, Maryland 21404-0466

*Department of General Services*  
 CGL Program Manager  
 301 W. Preston Street, Room 1405  
 Baltimore, Maryland 21201

**To the Grantee:**

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**To the Beneficiary:**

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11. Default. A default is Grantee's or Beneficiary's breach of any of the covenants, agreements, or certifications contained in this Agreement.
  
12. Remedies Upon Default.
  - (a) Upon the occurrence of any default, the State, as the BPW in its sole discretion determines, may do one or more of the following:
    - (i) Require Grantee or Beneficiary to repay the Grant, in whole or in part.
    - (ii) Recoup the amount of the Grant already paid from funds due the Grantee or Beneficiary from any other current or future State grant or loan or any other funds, otherwise due and owing Grantee or Beneficiary.
    - (iii) Withhold further payments under this Agreement.
    - (iv) Terminate this Agreement.
  - (b) In addition to the rights and remedies contained in this agreement, the State may at any time proceed to protect and enforce all rights available to it. All rights and remedies survive the termination of this Agreement.
  
13. Disposition of Property. Grantee or Beneficiary may not sell, lease, exchange, give away, or otherwise transfer or dispose of any interest in real or personal property acquired or improved with Grant funds ("**Grant-Funded Property**") unless the BPW gives prior written consent. This includes transfer or disposition to a successor on the merger, dissolution, or other termination of the existence of Grantee or Beneficiary. Grantee or Beneficiary shall give the BPW written notice at least 60 days before any proposed transfer or disposition. When consenting to a transfer or disposition, the Board of Public Works may in its sole discretion require the grantee or beneficiary to repay a percentage of the proceeds that are allocable to the grant.
  
14. Inspection and Retention of Records. Grantee and Beneficiary shall permit any duly authorized representative of the State to inspect and audit all records and documents of Grantee or Beneficiary relating to this Grant. Grantee and Beneficiary shall retain such records for at least three years after this Agreement terminates.
  
15. Insurance.
  - (a) For any item of Grant-Funded Property that has an original fair market value of \$5,000 or more, Grantee or Beneficiary shall, at its own expense and for the reasonable useful life of that item, obtain and maintain all risk of fire and extended coverage insurance or such similar insurance coverage as may be appropriate for the full value of the item or in amounts as may be commercially reasonable under the circumstances. Grantee's or Beneficiary's insurer must be authorized to issue the policy in the State. Each such policy shall by its terms:
    - (i) Name the State as an additional loss payee thereunder.

- (ii) Be considered primary and non-contributory with respect to any other insurance, if any, provided by the State.
- (iii) Be cancelable only on at least 30 days written notice to Grantee or Beneficiary, as applicable, and to the BPW.

- (b) On request, Grantee or Beneficiary shall, provide the BPW or its designee with satisfactory evidence of insurance.
- (c) Proceeds of insurance required by this Paragraph may be applied as the BPW, in its sole discretion, shall determine toward replacement of Grant-Funded Property or toward repayment of the Grant to the State.
- (d) The BPW or its designee in its sole discretion may determine that Grantee or Beneficiary may self-insure Grant-Funded Property if Grantee or Beneficiary has adequate financial resources.

16. Indemnification. Grantee and Beneficiary are responsible for, and shall defend, indemnify, and hold harmless the State, its officers, agents, and employees, whether or not the State be deemed contributorily negligent, from all suits, actions, liability, or claims of liability (including reasonable attorneys' fees) arising out of:

- (a) The Project, including its construction.
- (b) Grantee's and Beneficiary's use, occupancy, conduct, operation, or management of the Project.
- (c) Any negligent, intentionally tortious, or other act or omission of Grantee, Beneficiary, or any of its agents, contractors, servants, employees, subtenants, licensees, or invitees in connection with the Project.
- (d) Any injury to or death of any person or damage to any property occurring in, on, or as a direct or indirect result of the Project or any of Grantee's or Beneficiary's activities in connection therewith.

17. Registration. Grantee is a (charitable ) (religious ) organization registered with the Maryland Secretary of State in accordance with the Annotated Code of Maryland [Business Regulation Article or Corporations and Association Article]; is in good standing; and has filed all of its required reports with the Maryland Secretary of State.

Check if YES

Check if NOT APPLICABLE  and explain:

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18. Commercial and Employment Nondiscrimination. Grantee and Beneficiary shall:

- (a) Not discriminate in the selection, hiring, or treatment of any employee, employment applicant, vendor, supplier, subcontractor, or commercial customer on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual

- orientation, or on the basis of disability or any other unlawful use of characteristics unrelated to performance.
- (b) Include a clause similar to sub-paragraph (a) in any contract under this Grant.
  - (c) Post, and cause contractors to post, in conspicuous places notices setting forth the nondiscrimination policy.
19. *Drug and Alcohol Policy.* Grantee and Beneficiary each certify that it shall make a good faith effort to eliminate illegal drug use and alcohol and drug abuse from its workplace. Specifically, Grantee and Beneficiary shall each:
- (a) Prohibit the unlawful manufacture, distribution, dispensation, possession, or use of drugs in its workplace.
  - (b) Prohibit its employees from working under the influence of alcohol or drugs.
  - (c) Not hire or assign to work on an activity funded in whole or part with State funds, anyone whom it knows, or in the exercise of due diligence should know, currently abuses alcohol or drugs and is not actively engaged in a bona fide rehabilitation program.
  - (d) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if it or its employee has observed the violation or otherwise has reliable information that a violation has occurred.
  - (e) Notify employees that drugs and alcohol abuse are banned in the workplace, impose sanctions on employees who abuse drugs and alcohol in the workplace, and institute steps to maintain a drug-free and alcohol-free workplace.
20. *Compliance with Applicable Law.* Grantee and Beneficiary each hereby represents and warrants that it:
- (a) Is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
  - (b) Is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Grant term;
  - (c) Shall comply with all federal, State, and local laws, regulations, and ordinances applicable to its activities and obligations under this Grant.
  - (d) Shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Grant.
21. *Non-Debarment.* Neither Grantee nor Beneficiary, nor any of its officers, directors, or any of its employees directly involved in obtaining or performing grants or contracts with public bodies has:

- (a) Been convicted of bribery, attempted bribery, or conspiracy to bribe in violation of any state or federal law.
  - (b) Been convicted under any state or federal statute of any offense enumerated in Section 16-203 of the State Finance and Procurement Article, Annotated Code of Maryland.
  - (c) Been found civilly liable under any state or federal antitrust statute as provided in Section 16-203 of the State Finance and Procurement Article, Annotated Code of Maryland.
22. Non-Collusion. Neither Grantee nor Beneficiary, nor any of its officers, directors, or any of its employees directly involved in obtaining or performing grants or contracts with public bodies has:
- (a) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in obtaining or performing this Grant.
  - (b) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of any bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with this Grant.
23. Financial Disclosure. Grantee and Beneficiary are aware of, and will comply with, Section 13-221 of the State Finance and Procurement Article, Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate \$200,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases or other agreements reaches \$200,000, file with the Maryland Secretary of State certain specified information to include disclosure of beneficial ownership of the business.
24. Political Contributions. Grantee and Beneficiary are aware of, and will comply with, Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$200,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.
25. No Contingent Fees. Neither Grantee nor Beneficiary has employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for Grantee or Beneficiary, to solicit or secure the Grant. Neither Grantee nor Beneficiary has paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of the Grant.
26. No Lobbying Fees. In accordance with Section 7-221 of the State Finance and Procurement Article, Annotated Code of Maryland, each of Grantee

and Beneficiary certifies that no State money has been paid or promised to any legislative agent, lawyer, or lobbyist for any service to obtain the legislation establishing or appropriating funds for the Grant.

27. Non-hiring of State Employees. No State employee whose duties as such employee include matters relating to or affecting the subject matter of this Grant, shall, while so employed, become or be an employee of Grantee or Beneficiary.
28. Amendment. The Agreement may be amended only in a writing signed by the parties.
29. Assignment. Grantee may not assign this Agreement without the prior written approval of the BPW. If the BPW approves an assignment, this Agreement shall bind Grantee's successors and assigns.
30. Entire Agreement. This Agreement represents the complete and final understanding of the parties. No other understanding or representations, oral or written, regarding the subject matter of this Agreement, shall be deemed to exist or to bind the parties at the time the parties sign the Agreement.
31. Maryland Law. Maryland laws govern the interpretation and enforcement of this Agreement.

By their signatures, the parties so agree:

WITNESS:

GRANTEE:

\_\_\_\_\_ By: \_\_\_\_\_ (Seal)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BENEFICIARY:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF MARYLAND  
BOARD OF PUBLIC WORKS

By: \_\_\_\_\_  
John Gontrum  
Executive Secretary

Approved as to form and legal

sufficiency this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_

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Assistant Attorney General  
Department of General Services

BPW APPROVAL: DGS Item \_\_\_\_ -CGL (\_\_\_\_/\_\_\_\_/20\_\_)

CAPITAL PROJECTS GRANT AGREEMENT  
*Standard Form*

SAMPLE