

**STATE OF MINNESOTA
GRANT CONTRACT AGREEMENT
Environment and Natural Resources Trust Fund**

This grant contract agreement is between the State of Minnesota, acting through its Commissioner of Natural Resources ("State") and _____ (organization) with primary office located at _____ (address) ("Grantee").

Recitals

1. Under [Minn. Stat. §84.026](#) the Department of Natural Resources is empowered to enter into grant agreements.
2. Under HF 3765, 2022 Legislative Session, Section 24.32 (g) the DNR can award grants “to assist in constructing rural and farmstead ring levees for flood protection in the Red River watershed.”
3. The State has reviewed an application from the Grantee for the purpose of constructing a ring levee in the Red River Watershed at _____ (location) in the manner described in the Grantee's approved application.
4. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement and Minn. Stat. Ch. 116P. Pursuant to [Minn.Stat. §16B.98, Subd.1](#), the Grantee agrees to minimize administrative costs as a condition of this grant contract agreement.

Grant Contract Agreement

1 Term of Grant Contract Agreement

1.1 Effective date: **«effective_date»**

Per Minnesota Statutes Section 16B.98, subdivision 7, no payments will be made to the Grantee until this grant contract agreement is fully executed

1.2 **Expiration Date: «end_date»**

The appropriation is available until **«end_date»** by which time the project must be completed and final products delivered. For acquisition of real property, the appropriation is available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation.

1.3 Survival of Terms

The following clauses survive the expiration or cancellation of this grant contract agreement: 10 Liability; 11 State Audits; 12 Government Data Practices and Intellectual Property; 15 Acknowledgment and Endorsement; 16 Governing Law, Jurisdiction, and Venue; 18 Data Disclosure; 23 Monitoring; and 26 Program Requirements.

1.4 Incur Expenses

Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after the effective date listed in Section 1.1 are eligible for reimbursement unless otherwise provided in [M.L. 2022, Chapter 94](#).

2 Grantee's Duties

The Grantee, who is not a state employee, will:

- 2.1 Carry out the actions in Attachment A, approved work plan, which is incorporated and made a part of this agreement.
- 2.2 The Grantee will comply with required grants management policies and procedures set forth through Minn. Stat. §16B.97, subd 4 (a)(1), Minn. Stat. Ch.116P, and [M.L. 2022, Chapter 94](#).
- 2.3 The Grantee agrees to complete the project in accordance with the approved budget to the extent practicable and within the period specified in the grant contract agreement. Any material change in the grant contract agreement shall require an amendment by the State (see Section 8.2).
- 2.4 The Grantee shall be responsible for the administration, supervision, management, record keeping and program oversight required for the work performed under this agreement.
- 2.5 The Grantee is responsible for maintaining an adequate conflict of interest policy. Throughout the term of this agreement, the Grantee shall monitor and report any actual, potential, or perceived conflicts of interest to the State's Authorized Representative.

3 Time

The Grantee must comply with all the time requirements described in this grant contract agreement.

4 Consideration and Payment

Consideration for all services performed by Grantee pursuant to this grant contract agreement shall be paid by the State as follows:

4.1 Consideration.

4.1.1 Compensation

Compensation in an amount not to exceed «amount» based on the following computation: See Attachment B for project budget.

4.1.2 Matching requirements

Grantee certifies that the following matching requirement for the grant will be met by GRANTEE. The total project cost is «total_cost». Grantee agrees to match at least \$«match_amount» of this project cost.

4.1.3 Total Obligation

The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed «amount_spelled_out» dollars.

4.1.4 Funds made available pursuant to this Agreement shall be used only for expenses incurred in performing and accomplishing the purposes and activities specified herein. Notwithstanding all other provisions of this Agreement, it is understood that any reduction or termination of funds allocated to the State may result in a like reduction to the Grantee.

4.2 Payment

4.2.1 Payment

The State shall disburse funds to the Grantee pursuant to this agreement on a reimbursement basis. The Grantee shall submit payment requests with required expenditure documentation, as defined in the current Reimbursement Manual, to the State for review and approval. The Grantee shall submit payment requests on a regular basis (i.e. quarterly). Invoices must be submitted, at a minimum, at the close of each state fiscal year, which is July 1 – June 30.

If necessary, advance payments on grants shall be negotiated between the State and Grantee on a case by case basis. In order to make advance payments, the Grantee must prepare and submit a written justification to the State for approval that details the specific need to utilize advance payments. A copy of the signed justification must be maintained in the grant file. All advance payments on grants over \$50,000 must be reconciled within 12 months of issuance or within 60 days of the end of the grant period.

4.2.2 Retainage

The final reimbursement will be paid out when the State determines that the Grantee has satisfactorily fulfilled all the terms of this agreement, unless otherwise excluded by the State in writing.

5 Use of Funds

5.1 The Grantee shall use the proceeds of this agreement only for the eligible direct expenditures of the program as described in the approved work plan.

6 Conditions of Payment

All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, tribal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, tribal, state, or local law. The Grantee will be bound to the most recent Reimbursement Manual, as provided by the State each state fiscal year.

7 Authorized Representative

The State's Authorized Representative is Andrew Graham, the DNR's Red River Basin Coordinator (218-606-0128, or Andrew.Graham@state.mn.us), or his/her successor, and he/she has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted

for payment.

The Grantee's Authorized Representative is «[project_manager](#)», «[organization_address](#)», «[organization_city](#)», «[organization_state](#)», «[organization_zip](#)», «[pm_email](#)», or his/her successor. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

8 Assignment Amendments, Waiver, and Grant Contract Agreement Complete

8.1 Assignment

The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement, or their successors in office.

8.2 Amendments

Any amendments to this grant contract agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract agreement, or their successors in office.

8.3 Waiver

If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

8.4 Grant Contract Agreement Complete

This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

9 Subcontractors, Contracting, and Bidding Requirements

9.1 The Grantee agrees that if it subcontracts any portion of this project to another entity, the agreement with the subcontractor will contain all applicable provisions of the agreement with the State. The Grantee will refer to the Subcontractors section in the current Reimbursement Manual, as provided by the State.

9.2 Per [Minn. Stat. §471.345](#), grantees that are Municipalities as defined in Subd. 1 must follow the law.

9.2.1 The Grantee must maintain support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.

9.2.2 For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minnesota Statute 177.41](#) through [177.44](#). Consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

9.2.3 The grantee must not contract with vendors who are suspended or debarred in MN: [Link to Suspend/Debarred Vendor Report \(http://www.mmd.admin.state.mn.us/debarredreport.asp\)](#)

9.3 Other Organizations

Must follow the below requirements or submit a copy of their organization's contracting policies via Attachment C for review and possible approval by the State's Authorized Representative. If the thresholds change during the life of the grant, the Grantee must follow the most current Reimbursement Manual guidelines.

9.3.1 Any services and/or materials that are expected to cost \$100,000 or more must undergo formal public notice and solicitation process.

9.3.2 Any services and/or materials that are expected to cost between \$25,000 and \$99,999 must be based on three (3) verbal quotes or bids.

9.3.3 Any services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.

9.3.4 The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:

- [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)

- Metropolitan Council’s Targeted Vendor list: [Minnesota Unified Certification Program](#)
 - Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Program](#)
- 9.3.5 The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. See Attachment D: Conflict of Interest Disclosure
- 9.3.6 The Grantee must maintain support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
- 9.3.7 Notwithstanding 1- 3 above, the State may waive bidding process requirements when it is determined there is only one legitimate or practical source for such materials or services and that grantee has established a fair and reasonable price.
- 9.3.8 For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. §177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.
- 9.3.9 The grantee must not contract with vendors who are suspended or debarred in MN: [Link to Suspend/Debarred Vendor Report](#) (<http://www.mmd.admin.state.mn.us/debarredreport.asp>)

10 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney’s fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee’s agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

11 State Audits

Under [Minn. Stat. §16B.98, Subd.8](#), the Grantee’s books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

12 Government Data Practices and Intellectual Property Rights

12.1 *Government Data Practices*

The Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee’s response to the request shall comply with applicable law

12.2 *Intellectual Property Rights (if applicable)*

The Grantee will comply with Minnesota Statutes, Chapter 116P.10.

13 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers’ compensation insurance coverage. The Grantee’s employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers’ Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State’s obligation or responsibility.

14 Insurance Requirements

14.1 Grantee shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Grantee shall maintain such insurance in

force and effect throughout the term of the contract.

14.2 Grantee is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, Grantee must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Grantee will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

\$100,000 – Bodily Injury by Disease per employee
\$500,000 – Bodily Injury by Disease aggregate
\$100,000 – Bodily Injury by Accident

If Minnesota Statute 176.041 exempts Grantee from Workers' Compensation insurance or if the Grantee has no employees in the State of Minnesota, Grantee must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Grantee from the Minnesota Workers' Compensation requirements.

If during the course of the contract the Grantee becomes eligible for Workers' Compensation, the Grantee must comply with the Workers' Compensation Insurance requirements herein and provide the State of Minnesota with a certificate of insurance.

2. **Commercial General Liability Insurance:** Grantee is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Grantee or by a subcontractor or by anyone directly or indirectly employed by the Grantee under the contract. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence
\$2,000,000 – annual aggregate
\$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Blanket Contractual Liability
Products and Completed Operations Liability
Other; if applicable, please list _____
State of Minnesota named as an Additional Insured, to the extent permitted by law

3. **Commercial Automobile Liability Insurance:** Grantee is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the Grantee will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

14.3 Additional Insurance Conditions:

- Grantee’s policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Grantee’s performance under this contract;
- If Grantee receives a cancellation notice from an insurance carrier affording coverage herein, Grantee agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Grantee’s policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;
- Grantee is responsible for payment of Contract related insurance premiums and deductibles;
- If Grantee is self-insured, a Certificate of Self-Insurance must be attached;
- Grantee’s policy(ies) shall include legal defense fees in addition to its liability policy limits;
- Grantee shall obtain insurance policy(ies) from insurance company(ies) having an “AM BEST” rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An Umbrella or Excess Liability insurance policy may be used to supplement the Grantee’s policy limits to satisfy the full policy limits required by the Contract.

14.4 The State reserves the right to immediately terminate the contract if the Grantee is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the Grantee. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State’s authorized representative upon written request.

14.5 The successful responder is required to submit Certificates of Insurance acceptable to the State of MN as evidence of insurance coverage requirements prior to commencing work under the contract.

15 Acknowledgment and Endorsement

15.1 *Acknowledgment*

The Grantee must acknowledge financial support from the Minnesota Environment and Natural Resources Trust Fund in project publications, signage and other public communication and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the fund logo or inclusion of language attributing support from the trust fund.

15.2 *Endorsement*

The Grantee must not claim that the State endorses its products or services.

16 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

17 Termination

The State may immediately terminate this grant contract agreement with or without cause, upon 30 days’ written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

18 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, the Grantee consents to disclosure of its social

security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

19 Use of Funds as Match to Other Grants or Programs

The Grantee must inform the State's Authorized Representative whenever the grant funds will be used as match or for reimbursement for any other grant or program.

- a. The Grantee must inform the State's Authorized Representative or their grant specialist of the following information: grant program, grant name, the amount of grant or match funds to be used, location where funds were or will be used, activity the funds will support, and current landowner (if applicable).
- b. The Grantee must also inform the State's Authorized Representative before work begins if the new grant or program will add any encumbrances to state land where grant or match funds will be spent.

20 American Disabilities Act

The Grantee must comply with the 2010 American Disabilities Act Standards for Accessible Design.

21 Non-Discrimination Requirements

No person in the United States must, on the ground of race, color, national origin, handicap, age, religion, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under, any program or activity receiving Federal financial assistance. Including but not limited to:

- a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and DOC implementing regulations published at 15 C.F.R. Part 8 prohibiting discrimination on the grounds of race, color, or national origin under programs or activities receiving Federal financial assistance; Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.) prohibiting discrimination on the basis of sex under Federally assisted education programs or activities;
- b. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and DOC implementing regulations published at 15 C.F.R. Part 8b prohibiting discrimination on the basis of handicap under any program or activity receiving or benefiting from Federal assistance.
- c. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.), and DOC implementing regulations published at 15 C.F.R. Part 20 prohibiting discrimination on the basis of age in programs or activities receiving Federal financial assistance;
- d. Title II of the Americans with Disabilities Act (ADA) of 1990 which prohibits discrimination against qualified individuals with disabilities in services, programs, and activities of public entities.
- e. Any other applicable non-discrimination law(s).

22 Reporting Requirements

The Grantee is bound to reporting requirements in [Minn. Stat. §116P](#), [M.L. 2022, Chapter 94](#), Attachment A to this Grant Contract Agreement, and Attachments F and G to this Grant Contract Agreement if applicable.

23 Monitoring

The State shall be allowed at any time to conduct periodic site visits and inspections to ensure work progress in accordance with this grant contract agreement, including a final inspection upon program completion. At least one monitoring visit per grant period on all state grants of over \$50,000 will be conducted and at least annual monitoring visits on grants of over \$250,000.

Following closure of the program, the State's authorized representatives shall be allowed to conduct post-completion inspections of the site to ensure that the site is being properly operated and maintained and that no conversion of use has occurred.

Upon completion of construction, the Grantee must provide engineering as-built drawings to the State for purposes of documenting project completion.

24 Invasive Species Prevention

Grantees must follow Minnesota DNR's Operational Order 113, which requires preventing or limiting the

introduction, establishment and spread of invasive species during activities on public waters and DNR-administered lands. This applies to all activities performed on all lands under this grant contract agreement and is not limited to lands under DNR control or public waters. Duties are listed under Sections II and III (p. 5-8) of Operational Order 113 which may be found here: [Link to Operational Order 113](http://files.dnr.state.mn.us/assistance/grants/habitat/heritage/oporder_113.pdf) (http://files.dnr.state.mn.us/assistance/grants/habitat/heritage/oporder_113.pdf)

25 Pollinator Best Management Practices

Habitat restorations and enhancements conducted on DNR lands and prairie restorations on state lands or on any lands using state funds are subject to pollinator best management practices and habitat restoration guidelines pursuant to [Minnesota Statutes, section 84.973](#). Practices and guidelines ensure an appropriate diversity of native species to provide habitat for pollinators through the growing season. Current specific practices and guidelines to be followed for contract and grant work can be found here: [Link to Specific Pollinator Best Management Practices for DNR Grants and Contracts](#) (http://files.dnr.state.mn.us/natural_resources/npc/bmp_contract_language.pdf).

26 Program Requirements

The grantee must comply with the most current versions of Attachments D, E, F and G as attached and incorporated into this grant contract agreement.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. 16A.15.

Signed: _____

Date: _____

SWIFT Contract/PO No(s). _____

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

3. STATE AGENCY

By: _____
(with delegated authority)

Title: _____

Date: _____

Distribution:
Agency
Grantee
State's Authorized Representative

Attachments:

- A. Work Plan for Ring Levee Project
- B. Budget for Ring Levee Project
- C. Contracting Policies (only required from organizations other than municipal)
- D. Conflict of Interest Disclosure
- E. Reimbursement Manual
- F. LCCMR Guidance on Allowable Expenses
- G. Land Acquisition Reporting Procedures (if applicable)