LADCO | LAKE MICHIGAN AIR DIRECTORS CONSORTIUM

PROCUREMENT POLICY MANUAL

This manual is the exclusive property of
Lake Michigan Air Directors Consortium
4415 Harrison St. Suite 540
Hillside, Illinois 60162

Approved by the LADCO Board of Directors: December 2025

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I. INTRODUCTION

A. General Procurement Policy

The purpose of this manual is to establish the policies and procedures governing the acquisition of goods and services by the Lake Michigan Air Directors Consortium (LADCO). These policies are intended to ensure that procurements are conducted in a transparent, competitive, economical, and well-documented manner, consistent with sound business practices and applicable legal requirements.

Unless otherwise stated, this policy applies to all procurement activities, regardless of funding source. When procurements are supported in whole or in part with federal funds, LADCO shall comply with the requirements of 2 CFR Part 200, as amended, and the U.S. Environmental Protection Agency's implementing regulations at 2 CFR Part 1500, as well as the specific terms and conditions of the federal award.

All purchases shall be reasonable, necessary, allocable, and allowable, and LADCO shall avoid unnecessary or duplicative procurements.

B. Procurement Responsibilities

The Executive Director is responsible for ensuring the implementation and enforcement of this Procurement Policy Manual.

Procurement authority and financial responsibilities are governed by the LADCO By-Laws and Board of Directors (herein referred to as "the Board" or "LADCO Board") authorizations, including:

- The Treasurer's responsibility to receive and disburse funds in accordance with Board policy.
- The ability of the Board to delegate certain financial and administrative duties in writing to executive staff.

Consistent with Board authorization, the Executive Director may sign checks and approve expenditures up to $20,000 per transaction for routine operational and programmatic purposes, including but not limited to payroll, contractor payments, office expenses, and equipment purchases.

C. Governing Authorities

LADCO procurement activities are governed by the following authorities, as applicable:

- LADCO policies and procedures;

- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance);
- U.S. Environmental Protection Agency regulations at 2 CFR Part 1500;
- Applicable federal statutes, executive orders, and award-specific terms and conditions; and
- Applicable state and local legislation, where not in conflict with federal requirements.

In the event of conflicting requirements, the most restrictive applicable requirement shall govern.

II. PROCUREMENT STANDARDS

Consistent with 2 CFR §200.318, LADCO shall maintain procurement procedures that ensure integrity, accountability, and best value in the use of public funds.

A. Full and Open Competition

LADCO strives to ensure full and open competition, guarantee the objective performance of the agreement, and eliminate the possibility for unfair competitive advantages. Proposal selection shall be based on responsiveness to the solicitation, price, quality, deadlines of delivery, warranties, accountability and fulfillment of the service, and other relevant factors.

LADCO's procurement practices shall be designed to prevent favoritism, conflicts of interest, or practices that restrict competition.

Examples of prohibited practices include:

- Unreasonable qualification requirements;
- Unnecessary experience, bonding, or insurance requirements;
- Organizational conflicts of interest;
- Noncompetitive pricing practices;
- Contracting with entities that assisted in drafting procurement specifications, unless permitted by regulation.

Competition may be limited only as permitted under federal noncompetitive procurement provisions.

B. Economy and Efficiency

LADCO shall avoid unnecessary or duplicative purchases and shall structure procurements to promote economy and efficiency. Where appropriate, LADCO shall consider consolidating procurements, using existing agreements, or evaluating lease-versus-purchase alternatives.

C. Cost Reasonableness and Allowability

All costs incurred through procurement actions must be reasonable, allocable, and allowable in accordance with 2 CFR Part 200, Subpart E, and the terms of the applicable award. Procurement decisions shall be supported by adequate documentation demonstrating price reasonableness.

D. Geographic Considerations

LADCO shall ensure that any consideration of geographic location in procurement decisions is consistent with applicable federal statutes, EPA award conditions, and the principles of fair and open competition, and does not unduly restrict competition or create unfair advantage.

E. Standards of Conduct and Conflicts of Interest

LADCO shall maintain written standards of conduct covering employees, officers, and Board members involved in procurement activities. Individuals shall avoid real, potential, or apparent conflicts of interest and shall disclose any relationships that could influence procurement decisions.

Employees and Board members shall not solicit or accept gratuities, favors, or items of monetary value from contractors or potential contractors, except nominal items of minimal value not exceeding $25.

F. Affirmative Steps for Small and Disadvantaged Businesses

Consistent with 2 CFR §200.321, LADCO shall take affirmative steps, when practicable, to ensure the use of small businesses, minority-owned businesses, women's business enterprises, and labor surplus area firms.

G. Debarment and Suspension

LADCO shall not award any contract to any person (organization or individual) debarred or suspended or otherwise excluded (excluded) from or ineligible for participation in Federal assistance programs, unless EPA has granted an exception under 2 CFR 180.135. Contractor eligibility shall be verified using the System for Award Management (SAM.gov) or equivalent documentation.

H. Limitations on Consultant Compensation

The EPA General Terms and Conditions applicable to this award include a consultant compensation limitation. When selecting and engaging individual consultants whose services are paid at a daily or hourly rate, LADCO shall ensure that EPA's Executive Schedule Level IV daily rate cap is not exceeded, excluding transportation and subsistence costs, except as expressly authorized in the award. Documentation of fee calculations and compliance shall be maintained.

I. Contractor vs. Subrecipient Determination

Prior to entering into an agreement supported in whole or in part with federal funds, LADCO shall determine whether the agreement constitutes a procurement contract or a subaward, consistent with 2 CFR §200.331.

This determination shall be based on the substance of the relationship, rather than the form of the agreement, and shall consider the following characteristics:

1. Contractor Characteristics

An agreement is considered a procurement contract when the entity:

- Provides goods or services within its normal business operations;
- Provides similar goods or services to many different purchasers;
- Operates in a competitive environment;
- Is not responsible for programmatic decision-making; and
- Is not subject to federal program compliance requirements beyond the terms of the contract.

2. Subrecipient Characteristics

- An agreement is considered a subaward when the entity:
- Carries out a portion of a federal program;
- Determines programmatic direction or exercises discretion in program implementation;
- Is responsible for adherence to applicable federal program requirements; and
- Uses the federal funds to carry out a public purpose specified in the federal award.

Subawards shall be subject to LADCO's subrecipient monitoring and oversight procedures, separate from the procurement requirements set forth in this manual.

The basis for the contractor or subrecipient determination shall be documented and retained in the procurement or award file.

J. Contract Oversight

LADCO shall maintain oversight to ensure contractors perform in accordance with contract terms, conditions, and specifications. Payments shall be made only for acceptable performance.

Procurements shall be conducted using one of the methods described below, consistent with 2 CFR §200.320.

III. PROCUREMENT METHODS

A. Micro-Purchases

Micro-purchases are acquisitions of supplies or services not exceeding the micro-purchase threshold, currently $15,000, as adjusted periodically by federal regulation.

LADCO will follow these procedures for micro-purchases:

- Competitive quotations are not required if the price is reasonable;
- Micro-purchases shall be distributed equitably among qualified suppliers to the extent practicable;
- Purchases shall not be artificially divided to remain below the threshold;
- Documentation shall support price reasonableness.

B. Simplified Acquisitions (Simplified Acquisition Procedures)

Simplified acquisitions are procurements costing more than the micro-purchase threshold and up to the Simplified Acquisition Threshold (SAT), currently $350,000.

LADCO will follow these procedures for simplified acquisitions:

- Price or rate quotations shall be obtained from an adequate number of qualified sources, generally at least two;
- Quotations may be obtained informally (e.g., email, written quotes, catalog pricing;
- LADCO shall document vendors solicited, quotes received, evaluation, and the basis for selection.

C. Formal Competitive Procurements

Formal competitive procurement methods (e.g., Requests for Proposals or sealed bids) shall be used for procurements exceeding the SAT or when the nature of the procurement warrants formal competition regardless of dollar amount.

D. Noncompetitive (Sole Source) Procurements

Noncompetitive procurement may be used only when one or more of the following conditions apply:

- The item or service is available only from a single source;
- A public exigency or emergency will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive procurement in writing; or
- Competition is determined to be inadequate after solicitation of multiple sources.

A written sole source justification shall be prepared and retained in the procurement file.

IV. PROCUREMENT INSTRUMENTS

LADCO uses three basic procurement instruments: (1) purchase orders, (2) consultant agreements, and (3) project contracts. It is LADCO's policy to not use the "cost-plus-a-percentage-of-cost" or the "percentage of construction cost" methods of contracting.

A. Purchase Orders

LADCO will use a purchase order to procure small quantities of office supplies, materials, or professional services. Purchases will be made from vendors offering the best value in price, support services, and delivery procedures. Purchase orders may be used to procure training services from vendors offering off-the-shelf courses, such as online webinars or pre-developed classroom courses. Purchase orders are not used for consultant services and subcontracts, travel advances and reimbursements, monthly or periodic bills (e.g., rent, telephone, utilities, equipment leases, and maintenance agreements), minor recurring expenses (e.g., courier services), and items paid from petty cash. Purchase orders will be prepared by the Office Manager, with the approval of the Executive Director, and should clearly describe the item(s) being purchased, the estimated purchase amount, and the purpose of the purchase.

B. Consultant Agreements

Consultant agreements are contracts with individuals (i.e., consultants or independent contractors in business for themselves, not bona fide companies and not LADCO employees) for specialized services that cannot be performed by LADCO employees, either because of time or skill level. LADCO will use a consultant agreement when the individual is performing a specialized type of work under a contract that clearly specifies the scope of work, rate and terms of compensation, time-period of performance, deliverables, and terms of the agreement.

C. Project Contracts

Project contracts are contractual relationships for project-related services. LADCO will use a project contract when none of the other procurement instruments are appropriate and when the contract will have very specific responsibilities for a major component of LADCO's award. Normally, a project contract is for large dollar amounts (>$50,000) where each party is seeking terms and conditions that will protect both parties. The project contract should clearly describe the scope of work, the rate and terms of compensation, the period of performance, deliverables, and terms of the agreement. LADCO's standard contract language shall generally be used in establishing project contracts (see Attachment A), although a simple letter contract, which specifies the scope of work, the rate and terms of compensation, the period of performance, deliverables and terms of the agreement, may also be used in certain cases (e.g., short-term or lower cost contracts).

V. CONFLICT OF INTEREST AND CODE OF CONDUCT

LADCO employees and Board members shall avoid real, potential, or apparent conflicts of interest. Individuals shall not participate in procurement actions where such conflicts exist. LADCO employees Board members must provide full disclosure of their actions or relationships with prospective vendors, contractors, or consultants.

A. LADCO Employees

LADCO employees shall not engage in conduct resulting in a real, potential, or apparent conflict of interest. A conflict of interest may arise when any action by a LADCO employee, whether isolated, recurring, or continuous, is to the direct financial advantage of this employee, of their spouse, parent, or child. Employees shall not participate in the selection, final choice, or management of a contract, covered by donor funds, if a real, potential, or apparent conflict of interest would be involved. Such a conflict of interest would arise when any employee or any member of their family, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm/organization selected for a final contract. LADCO employees must provide full disclosure of their actions or relationships with perspective vendors, contractors, or consultants. If any family member is to be employed or contracted, then prior approval from the LADCO Board is required.

LADCO employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, sub-recipients, parties of project contractors, or entities regulated by its member states. LADCO employees are, however, allowed to accept gifts at of a nominal face value not to exceed $25.

As appropriate, either the Executive Director or the LADCO Board will be responsible for determining the disciplinary action that will be imposed for any conflict of interest violations.

B. Members of the Board of Directors

Members of the LADCO Board of Directors shall not engage in conduct resulting in a real, potential, or apparent conflict of interest. A potential conflict of interest may arise when action by a Board member, whether isolated, recurring, or continuous, is to the direct financial advantage of this individual, or their spouse, parent, or child.

As appropriate, the LADCO Board will be responsible for determining the disciplinary action that will be imposed for any conflict of interest violations.

VI. POLICIES RELATED TO THE PROCUREMENT PROCESS

A. Purchasing Necessary Items

Only items that are necessary for the efficient and effective operation of LADCO will be purchased. This pertains both to items purchased for the indirect operations of LADCO or direct project operations. Purchases will be reviewed by the Executive Director to avoid unnecessary purchases and to limit purchases to necessary quantities

B. Lease versus Purchase Analyses

Where appropriate, an analysis will be conducted as to whether it is more cost effective or practical to purchase or lease a necessary item. This analysis will be the performed by an appropriate member of the executive staff, the Executive Director, or the Office Manager.

C. Cost/Price Analysis

A cost or price analysis shall be conducted for all procurements above the micro-purchase threshold to determine price reasonableness, allowability, and allocability. The cost analysis shall consist of a review and evaluation of each element of a cost proposal to determine its reasonableness, allocability, and allowability. The price analysis shall consist of comparing price quotations, market prices, and similar information.

D. Prior Approvals

Certain procurement actions and costs may require prior written approval from the federal awarding agency, as specified in 2 CFR §200.308, Subpart E (Cost Principles), and the terms and conditions of the federal award.

Prior approval is generally required for:

- Equipment purchases and capital expenditures not included in the approved award budget;

- Certain changes in scope or objectives of the project;
- Subawards, where required by the terms of the award.

When a cost item requiring prior approval is explicitly included in the approved federal award budget, such approval is generally considered to have been granted, unless otherwise restricted by the award terms.

Routine supplies, materials, and general administrative support services typically do not require prior approval, provided they are reasonable, allocable, allowable, and consistent with the approved budget and project scope.

Requests for prior approval, when required, shall be submitted to the federal awarding agency by the Office Manager under the direction of the Executive Director. No procurement requiring prior approval shall proceed without such approval.

E. Procurement Records

For each procurement action, LADCO shall maintain records documenting:

- Procurement method used;
- Vendor selection and justification;
- Price or cost analysis;
- Contract type and terms; and
- Contractor performance.
- Signed copy of the procurement instrument (e.g., contract or purchase order) and all amendments to the procurement instrument;
- Copies of all bids and offers;
- As applicable, a written justification as to why sole source or minimum competition was used

Records shall be retained for at least three (3) years after the grant period closeout, or longer if required by award conditions or audit findings.

F. Formal Solicitation Process

Formal competitive procurement procedures shall be used for all procurements exceeding the Simplified Acquisition Threshold (SAT), or when the nature of the procurement warrants formal competition regardless of dollar amount, in accordance with 2 CFR §200.320(d).

Formal solicitations at LADCO shall be conducted using the following procedures:

1. Bidders' List

LADCO will prepare and maintain an up-to-date list of qualified and capable individuals and contractors.

2. Prepare Request for Proposals (RFPs)

The Executive Director shall prepare the Request for Proposals (RFP), in consultation with appropriate LADCO staff or committees and subject to Board approval where required by LADCO bylaws or award conditions.

Each RFP shall include, at a minimum:

- A clear statement of the purpose and objectives of the procurement;
- A detailed description of the goods or services required;
- Identification of LADCO as the contracting entity;
- The period of performance;
- Instructions for proposal submission, including deadlines;
- A statement that the procurement will be conducted in accordance with 2 CFR Part 200 and 2 CFR Part 1500, as applicable;
- Disclosure of all evaluation criteria and their relative importance;
- Any applicable federal, EPA, or award-specific requirements; and
- Any additional information necessary to ensure full and open competition.

3. Distribute RFPs

LADCO shall identify and solicit proposals from qualified and responsible vendors capable of performing the required work. Solicitation efforts may include maintaining informational vendor lists, posting opportunities on the LADCO website, and conducting targeted outreach to ensure adequate competition.

RFPs shall be publicly posted on the LADCO website and distributed electronically to known or interested vendors. LADCO shall provide reasonable time for proposal preparation and submission.

4. Review Proposals

All proposals shall be reviewed by the Executive Director, a proposal review team assembled by the Executive Director, the appropriate LADCO Committee, or other appropriate individuals using the evaluation criteria specified in the RFP. Evaluation factors may include, but are not limited to:

- Technical approach and understanding of the project;
- Qualifications and experience;
- Price and cost reasonableness;
- Past performance;
- Capacity to perform within required timelines.

Individuals with a real or apparent conflict of interest shall disclose the conflict and shall not participate in the evaluation. Evaluation documentation, including scoring or ranking sheets, shall be retained in the procurement file. Interviews or presentations may be conducted if provided for in the RFP.

A ranking sheet (see Attachment B) should be completed by the reviewers and returned to LADCO.

5. **Contractor Selection**

The Executive Director, in consultation with the proposal review team, shall select the responsible offeror whose proposal is most advantageous to LADCO, considering price and other evaluation factors.

Written documentation of the selection decision, including the rationale for award and any minority opinions, shall be maintained in the procurement file.

Prior to award, LADCO shall verify that the selected contractor is not suspended or debarred by checking SAM.gov or obtaining appropriate certifications.

6. Contracting

The Executive Director shall negotiate a contract consistent with the RFP and applicable federal requirements. All contracts shall include required provisions under Appendix II to 2 CFR Part 200, as well as EPA-specific terms.

Contracts shall be executed by authorized representatives of LADCO and the contractor. Prior to execution, the Executive Director shall verify the availability of funds and the reasonableness of payment terms.

The Executive Director is responsible for obtaining the appropriate signatures and forwarding a final, original, signed copy to the contracting organization.

7. Monitoring Performance

The Executive Director, an appropriate member of the executive staff, or the Office

Manager shall monitor contractor performance to ensure compliance with contract terms, deliverables, and schedules.

Any material noncompliance or performance deficiencies shall be documented and addressed promptly through corrective action or other remedies as appropriate.

ATTACHMENT A

STANDARD CONTRACT LANGUAGE

CONTRACT AGREEMENT

(Title of Project)

THIS AGREEMENT is made and entered into by and between the **Lake Michigan Air Directors Consortium,** an Illinois not-for-profit corporation ("CONSORTIUM") and xxxxxxxxx ("CONTRACTOR") for consideration of the mutual promises and covenants contained herein.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - SCOPE OF WORK AND SCHEDULE

On xxxxxx, the CONTRACTOR submitted a technical proposal and a cost proposal to (provide short description of work). Specific tasks to be performed are as follows:

The CONTRACTOR shall furnish the necessary personnel, material, equipment, services and facilities (except as otherwise specified herein) to perform the tasks according to the schedule described in the CONTRACTOR's technical proposal and cost proposal dated xxxxxx, which are hereby incorporated by reference. The CONTRACTOR agrees to provide the key personnel, as indicated in Article VI below, for the life of the project and without substitution, except as agreed to in writing by the CONSORTIUM.

The CONTRACTOR shall perform the work described in its technical proposal dated xxxxxxx, within the period of performance identified in Article II below and provide the deliverables described above and in its technical proposal dated xxxxxx.

ARTICLE II - PERIOD OF PERFORMANCE

The period of performance shall commence on xxxxxxx, and continue through xxxxxxxxx, or another date mutually agreed upon in writing.

ARTICLE III - COSTS

The estimated cost of this Contract is $xxxxxx.

ARTICLE IV - LIMITATION OF FUNDS

Incremental funding in the amount of $xxxxx has been authorized for expenditure by the CONTRACTOR, subject to the Terms and Conditions of this Agreement. This amount is estimated to cover the CONTRACTOR's performance through xxxxxx.

ARTICLE V - INVOICING AND PAYMENT

The CONTRACTOR shall submit invoices on a regular basis to the following address:

Lake Michigan Air Directors Consortium
4415 Harrison St., Suite 548
Hillside, IL 60162
Attn: Zac Adelman, Executive Director

Invoices will show sufficient detail to include percent effort, billing rates and all other direct costs incurred during the previous month as well as a summary total of costs incurred to date.

The CONSORTIUM shall remit payments to the following address within thirty (30) days after receipt of completed invoices from the CONTRACTOR:

The CONTRACTOR recognizes the importance of the overall project schedule, and agrees and represents that he will meet the deadlines to which both parties have agreed and deliver the products for which he is responsible in a timely manner. The CONTRACTOR further acknowledges the importance of frequent communications between both parties regarding the progress being made and any potential problems which may arise. The CONSORTIUM agrees that the CONTRACTOR will not be held liable for events or occurrences outside of their control.

ARTICLE VI - KEY PERSONNEL

The CONTRACTOR shall assign to this Contract the following key personnel:

These personnel will not be reassigned from this project, nor will their committed hours (as itemized in the CONTRACTOR'S Cost Proposal) be substantially reduced, unless necessitated by illness, death, or termination of employment, or until any such changes are approved by the CONSORTIUM in writing.

ARTICLE VII - SUBCONTRACTORS

The CONTRACTOR shall not enter into any subcontract arrangements for the purposes of performing this project without the written consent of the CONSORTIUM.

ARTICLE VIII - CONTRACTOR

The CONTRACTOR will act solely as an independent contractor in performing services, and nothing herein will at any time be construed to create the relationship of employer and employee, partnership, or joint venturer between the CONSORTIUM and the CONTRACTOR, or the CONSORTIUM's and the CONTRACTOR's officers, directors, employees or agents. CONTRACTOR and its employees will have no right or authority to act for the CONSORTIUM, and will not attempt to enter into any contract, commitment, or agreement, or incur any debt or liability, of any nature, in the name of or behalf of the CONSORTIUM.

ARTICLE IX - CONFIDENTIALITY

The CONTRACTOR will not knowingly disclose to others any confidential information furnished by the CONSORTIUM in connection with this project. Any information which the CONSORTIUM intends to be covered by this Article shall be clearly marked "Confidential". These restrictions shall not apply to information that (i) the CONTRACTOR had in its possession prior to disclosure by the CONSORTIUM; (ii) becomes public knowledge through no fault of the CONTRACTOR, (iii) the CONTRACTOR lawfully acquires from a party not under an obligation of confidentiality to the CONSORTIUM; (iv) is independently developed by the CONTRACTOR; or (v) the CONTRACTOR is required to disclose by law, or administrative order.

The CONTRACTOR and its personnel, and its subcontractors may publish, publicize, or disclose information obtained from this project with prior collaboration and dialogue with the CONSORTIUM.

ARTICLE X - INSURANCE

The CONTRACTOR, at its own expense, will provide and maintain insurance as follows:

(a) Worker's compensation, occupational disease, employer's liability, disability benefit, and other similar employer benefits insurance required under applicable state law.
(b) Commercial general liability insurance including protective and contractual liability with a single combined limit of $1,000,000 per occurrence and $1,000,000 aggregate for bodily injury, including death and property damage.

The CONTRACTOR will, upon request, furnish the CONSORTIUM with a certificate of insurance evidencing the coverage and providing 30 days prior written notice in the event of cancellation or material change in coverage.

ARTICLE XI - INDEMNIFICATION

The CONTRACTOR shall indemnify, defend, and hold harmless the CONSORTIUM, its officers, directors, agents, or employees against claims, demands, and causes of action including expenses of defense for personal injury, disease or death and loss or damage of property arising from or during the performance of Services and caused by the negligence or willful misconduct of CONTRACTOR.

The CONSORTIUM shall indemnify, hold harmless and defend the CONTRACTOR, its officers, directors, agents, and employees from all claims, demands and causes of action including expenses of defense for personal injury, disease or death and loss or damage of property arising out of or in any manner connected with or related to the performance of Services and caused by the negligence or willful misconduct of the CONSORTIUM.

Neither party nor their affiliated companies, nor the officers, agents and employees or contractors of any of the foregoing, shall be liable to the other in any action or claim for consequential or special damages, loss of profits, loss of opportunity, loss of product, or loss of use, and any protection against liability for losses or damages afforded any individual or entity by these terms shall apply whether the action in which recovery of damages is sought is based on contract, tort (including sole, concurrent or other negligence and strict liability of any protected individual or entity), statute or otherwise. To the extent permitted by law, any statutory remedies which are inconsistent with these terms are waived.

ARTICLE XII - FORCE MAJEURE

Except for the obligation to pay for services rendered, no liability will attach to either party from delay in performance or nonperformance caused by circumstances beyond the control of the party affected, including but not limited to acts of God, fire, flood, explosion, war, action or request of governmental authority, injunction, labor relations, accidents, delays or inability to obtain materials, equipment, fuel or transportation.

ARTICLE XIII - TERMINATION

This Agreement may be terminated in whole or in part in writing by either party in the event of default by the other party in fulfilling its material obligations under this Agreement, provided that no termination may be effected unless the other party is given not less than ten (10) calendar days written notice, delivered by certified mail, or intent to terminate, and ten (10) days from the date of receipt of notice within which to cure the default.

In the event of termination, an equitable adjustment in the price provided for in this Agreement shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due to the CONTRACTOR at the time of termination may be adjusted by mutual agreement of the parties to cover any additional costs to the CONSORTIUM because of the CONTRACTOR's default.

Upon termination, the CONTRACTOR shall promptly discontinue all affected work (unless the notice directs otherwise), and shall deliver or otherwise make available to the CONSORTIUM all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the CONTRACTOR in performing the Agreement, whether completed or in progress.

ARTICLE XIV - ACCESS TO RECORDS

The CONTRACTOR shall maintain books, records, documents, and other evidence directly pertinent to performance on USEPA-funded work under this Agreement in accordance with generally accepted accounting principles and practices consistently applied, and with 2 CFR Part 200 and 2 CFR Part 1500, as amended in effect on the date of execution of this Agreement. The CONTRACTOR shall also maintain the financial information and data used in the preparation or support of the cost submission for any negotiated agreement or change order, and a copy of the cost summary submitted to the CONSORTIUM. USEPA, the Comptroller General of the United States, the U.S. Department of Labor, or any of their authorized representatives, shall have access to all such books, records, documents, and other evidence for the purpose of inspection, audit, and copying during normal business hours.

The CONTRACTOR shall provide proper facilities for such access and inspection. Records from this

Agreement shall be maintained and made available by the CONTRACTOR during performance on USEPA-funded work under this Agreement and until three years after the date of final CONSORTIUM payment for the project. In addition, those records which relate to any controversy arising under a USEPA-funded agreement, litigation, the settlement of claims arising out of such performance or to costs or items to which an audit exception has been taken shall be maintained and made available by the CONTRACTOR until three years after the date of the resolution of such appeal, litigation, claim, or exception.

ARTICLE XV - RESPONSIBILITY OF THE CONTRACTOR

The CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all services furnished by the CONTRACTOR under this Agreement, as well as for the services of its subcontractors, if any.

The CONTRACTOR shall perform such services as may be necessary to accomplish the work required to be performed under this Agreement, in accordance with all the terms of this Agreement. It is understood that performance of this Agreement may require coordination and/or cooperation with other contractors. This coordination and/or cooperation shall be performed without obstruction.

The CONTRACTOR shall not be liable for the performance of other contractors which have contracted directly with the CONSORTIUM, provided that prompt notice is given to the CONSORTIUM of any problems which may arise.

ARTICLE XVI - ASSIGNMENT

Neither this Agreement nor any interests therein, or claimed thereunder, shall be assigned or transferred by the CONTRACTOR to any other entity, except as specifically authorized in writing by the CONSORTIUM.

ARTICLE XVII - NOTIFICATION OF OTHER CONTRACTS AND AVOIDANCE OF CONFLICTS

The CONTRACTOR agrees that during the life of this Agreement, it shall use its best efforts not to enter into any other contracts or agreements which would constitute or create a potential or actual conflict of interest with the scope of work for this Agreement. The CONTRACTOR further agrees to make its best efforts to notify the CONSORTIUM in writing of any such contracts or agreements. The CONSORTIUM in its sole discretion shall determine whether the performance of such contracts or agreements by the CONTRACTOR would constitute or create a potential or actual conflict of interest and if so, then shall notify the CONTRACTOR accordingly. Failure of the CONTRACTOR to withdraw its bid or revoke its acceptance of any such contracts or agreements after notification shall give the CONSORTIUM the right to terminate this Agreement for their convenience.

This requirement shall not apply when the CONTRACTOR is required to sign a Statement of Confidentiality between the CONTRACTOR and a prospective client of the CONTRACTOR, in which case the CONTRACTOR will immediately determine if there is a potential or actual conflict as defined herein. The CONTRACTOR shall also insure that its subcontractors, if any, adhere to this requirement.

ARTICLE XVIII - AMENDMENTS

This Agreement and any attachments hereto constitute the entire Agreement between the parties. No amendment to this Agreement shall take effect until approved by the CONSORTIUM and the CONTRACTOR in writing.

ARTICLE XIX - ADDITIONAL TERMS AND CONDITIONS

Notwithstanding clauses included or omitted from this Agreement, it is understood and agreed to by both parties that all applicable laws and regulations regarding contracting with the use of public funds will be adhered to by each party.

No intellectual property is expected to be developed pursuant to this project. Any and all project results shall be made available in the public domain.

Any equipment or property purchased or charged to this Agreement by the CONTRACTOR shall be the property of the CONSORTIUM. All such equipment and property, except for necessary expendable items, shall be returned promptly (but no later than the end date of this Agreement) to the CONSORTIUM.

ARTICLE XX - DISPUTES

The CONSORTIUM and the CONTRACTOR shall expend their efforts to amicably resolve any dispute that may arise under this Agreement. Any dispute that the parties are unable to resolve shall be subject to the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Contract as of the day and year shown below.

FOR xxxxxxxx:	**FOR Lake Michigan Air Directors Consortium:**
Name: _________________	Name: ____________________________
Title: _________________	Title: ____________________________
Date: _____________________	Date: _____________________

ATTACHMENT B

PROPOSAL RANKING SHEET

Criteria	Contractor A	Contractor B	Contractor C
Understanding of project objectives			
Technical approach, completeness of coverage with respect to statement of work, and responsiveness to available project resources			
Task 1			
Task 2			
Task 3			
Task 4			
Task 5			
Experience, expertise, and other qualifications of principal investigator and others, and level of effort for principal investigator			