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ADVISORY CIRCULAR

THE PLANNING GRANT PROGRAM FOR AIRPORTS

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

AC NO: 150/5900-1

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ADVISORY CIRCULAR

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SUBJECT: THE PLANNING GRANT PROGRAM FOR AIRPORTS

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1. PURPOSE. This advisory circular offers guidance to the sponsors of airport system plans and airport master plans on how to participate in the FAA's Planning Grant Program. It describes the program, the application process, and the administrative procedures to be followed in completing planning projects. It also advises sponsors on the use of completed plans.
 2. REFERENCES.
 - a. The following advisory circulars may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make check or money order payable to the Superintendent of Documents; no c.o.d. orders are accepted.
 - (1) AC 150/5050-3A, Planning the State Airport System (\$2.50).
 - (2) AC 150/5070-5, Planning the Metropolitan Airport System (\$1.25).
 - (3) AC 150/5070-6, Airport Master Plans (\$2.00).
 - b. Obtain AC 150/5000-3A, Address List for Regional Airports Divisions and Airports District Offices, and additional copies of this advisory circular, AC 150/5900-1, The Planning Grant Program for Airports, from the Department of Transportation, Distribution Unit, TAD-484.3, Washington, D.C. 20590.


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Director, Airports Service

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CHAPTER 1. THE PLANNING GRANT PROGRAM

1. GENERAL. The Planning Grant Program (PGP) for airports was established by the Airport and Airway Development Act of 1970. The goals of the program are to improve airport planning, to promote the effective location and development of airports, and to develop an adequate National Airport System Plan (NASP). In order to accomplish these goals, the Act provides grants of funds to planning agencies for airport system planning and to public agencies for airport master planning. The total funds obligated for the PGP may not exceed \$15 million for any one fiscal year. Allocations for projects within a single state, Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam may not exceed seven and one-half percent of the appropriated funds per year. Grants may not exceed two-thirds of the estimated cost of a planning project. The total funds obligated for the PGP may not exceed \$75 million.
2. ELIGIBLE PLANNING GRANT PROJECTS. Eligible planning grant projects include airport system plans for states and metropolitan and regional areas and master plans for individual airports. These planning projects are to be based on short, intermediate, and long-range forecasts of aviation demand (usually 5, 10, and 20 years) and are defined as follows:
 - a. State Airport System Plans. A state airport system plan is a representation of the aviation facilities required to meet the immediate and future air transportation needs of the state and to achieve the overall goals of the state. It recommends the general location and characteristics of new airports and the nature of expansion for existing ones. It shows the timing and estimated cost of development, relates airport system planning to the economic development and environmental goals of the state, and is accomplished in a comprehensive planning framework. When the state contains major metropolitan areas or regions for which metropolitan area or regional system plans are to be developed, it is necessary that they be integral components of the state plan and highly desirable that they be developed in conjunction with the state plan. The state plan, which includes the incorporated regional and metropolitan area plans, provides a basis for the preparation of definitive and detailed individual airport master plans. Guidance for the preparation of state plans is contained in Advisory Circular 150/5050-3A, Planning the State Airport System.

- b. Metropolitan and Regional Area Airport System Plans. As is indicated in paragraph 2a, a metropolitan and regional area system plan should be developed in conjunction with and become a part of a state airport system plan. The plan is a representation of the aviation facilities required to meet the immediate and future air transportation needs of the area involved. It recommends the extent, type, nature, general location, estimated cost, and timing of airport development required to meet aviation needs and provides a basis for the preparation of definitive and detailed master plans for individual airports contained within the system. Generally, metropolitan and regional areas which have more than one publicly owned airport and are forecasted to have a population of 500,000 or an annual passenger enplanement level of 250,000 within a 20-year planning period are eligible for system planning grants. A metropolitan area plan usually covers a standard metropolitan statistical area (SMSA) while a regional plan usually covers a state planning region or district. Guidance for the preparation of metropolitan and regional system plans is contained in Advisory Circular 150/5070-5, Planning the Metropolitan Airport System.
 - c. Airport Master Plans. An airport master plan presents the planner's conception of the ultimate development of a specific airport. It presents the research and logic from which the plan evolved and displays the plan in a graphic and written report. Master plans are applied to the modernization and expansion of existing airports and to site selection and planning for new airports, regardless of their size or functional role. It is desirable that airport master plans be developed within the framework of metropolitan or regional plans or state airport system plans. Guidance for the preparation of airport master plans is contained in Advisory Circular 150/5070-6, Airport Master Plans. To be eligible for a planning grant, a master planning project must be for an airport or location which is included in the current NASP for the first five-year period.
3. ELIGIBLE PLANNING GRANT SPONSORS. Eligible planning grant sponsors include planning agencies for airport system plans and public agencies for airport master plans. These agencies are defined as follows:
 - a. A planning agency means any planning agency designated by the FAA Administrator which is authorized by the laws of the state or states (including the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands and Guam) or political subdivisions concerned to engage in areawide planning for the areas in which the grant assistance is to be used.

- b. A public agency means a state, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands and Guam or any agency of them; a municipality or other political subdivisions; or a tax-supported organization; or an Indian tribe or pueblo.
- c. Cosponsors. If two or more agencies desire to cosponsor a planning project, only one of the agencies needs to be an eligible sponsor. If the cosponsors are willing to jointly and severally assume the obligations of the grant agreement, they should submit a single application executed by all of the cosponsors. If the cosponsors do not desire to jointly and severally assume the obligations, only the eligible sponsor has to sign the application, but a copy of the executed agreement between all parties must be submitted with the applications which states the responsibilities of each cosponsor, the obligations to the United States which each cosponsor will assume, and the name of the cosponsor or cosponsors who will accept, receive, and disburse grant payments. An agency which desires to participate in a planning project by contributing funds only does not need to become a cosponsor and its contribution will be considered as funds of the sponsor.
4. STUDY ELEMENTS. The activities and elements of study which are eligible for inclusion in airport system planning projects and airport master planning projects are described briefly in the following paragraphs. A more comprehensive description of the elements is contained in the FAA's system planning and master planning advisory circulars. The extent of their inclusion in planning projects will depend on the status of the airports involved. It should be noted that while many system planning and master planning elements are similar in name, they differ in scope and degree of detail. Master planning study elements are for a specific airport and are developed in far greater detail than system planning elements. System plans are applicable to a number of airports, are areawide in nature, and are intended to set the framework for the development of detailed master plans. Master plans, in turn, serve as the basis for detailed design and engineering. Except for study designs, the costs of work performed on planning projects will not be allowed unless they are incurred after the date of grant agreements.
- a. System Planning Study Elements. System planning grants will cover reasonable costs associated with the following study elements and activities:
- (1) Study design for complex studies to establish the framework and detailed work program for the system planning projects. (A study design is a separate study to determine how a planning project should be performed and does not include the preparation of a routine scope of work.)

- (2) Inventories of information related to the planning effort including data on airports, airspace, aeronautical activity, environment, land use and ground transportation planning, socio-economic factors, and financial resources.
- (3) Forecasts of air carrier, air taxi, general aviation and military operations, aircraft mix, based aircraft, enplaned passengers and air cargo, and ground transportation activity including airport access and complementary ground transportation modes.
- (4) Capacity analysis of airport systems based on individual airfield, terminal area, and access determinations.
- (5) Capacity analysis of airspace based on air navigation aids, communication facilities, and natural or man-made obstructions which affect the use of airspace.
- (6) Determination of airport needs including analysis of the suitability, expansion possibilities, and accessibility of existing airports; the general location and requirements of new airports; and the analysis of the compatibility of airports with land use and ground transportation planning and other comprehensive planning efforts and with environmental and ecological factors.
- (7) Analysis of alternative airport systems including economic feasibility and sensitivity analysis and based on the evaluation of costs and the practicalities of various components of the plan when reviewed in its overall form.
- (8) Recommendation of airport system development for each planning period and airport (new and existing) and in sufficient detail to allow for the preparation of NASP forms including preliminary estimates of length, strength, and number of runways; number of gates; areas of aprons; square footage of terminal and cargo buildings; and number of public and employee parking spaces, along with cost estimates of recommended development.
- (9) Schedules of plan implementation describing the timing of airport land acquisition and construction and based on aviation demand forecasts.
- (10) Public hearings and public information activities and publications as may be necessary for adoption of the plan in its final form.

- (11) Financial planning covering the broad financial actions which will be required to implement the recommended plan.
 - (12) Preparation of NASP forms for the NASP for airports which meet NASP entry requirements including FAA Form 5090-2, NASP Planning Data Sheet, FAA Form 5090-3, NASP Entry Criteria Worksheet, and FAA Form 5090-4, NASP Development Worksheet, and based on requirements for individual airports included in the airport system plan.
 - (13) Administration of system plan projects based on reasonable direct and indirect costs incurred by sponsors and on guidelines set forth in the Office of Management and Budget Circular No. A-87 (see Appendix 2).
 - (14) Printing of system plan documents including reimbursement for a maximum of 20 copies of preliminary, interim, and drafts of final reports; 1,000 copies of condensed final reports for public consumption; and 50 copies of technical versions of final reports. (The printing of extra copies will be allowed if adequate justification is provided.)
- b. Master Planning Study Elements. Master planning grants will cover reasonable costs associated with the following study elements and activities:
- (1) Study design, for large and complex airport master planning projects only, usually for large and medium hub air carrier served airports, to establish the framework and detailed work program for the master planning project. (A study design is a separate study to determine how a planning project should be performed and does not include the preparation of a routine scope of work.)
 - (2) Inventories of information and data relative to the airport and including historical information, data on aviation activity and existing airport facilities, and information on areawide planning efforts.
 - (3) Forecasts of all facets of aeronautical activity including passengers, air cargo, operations, based aircraft, and ground access demand.
 - (4) Demand/capacity analysis of an airport's airfield area, terminal area, and access facilities to provide a basis for determination of facility requirements and feasibility.

- (5) Facility requirements determination to establish a list of requirements for items such as the length, strength, and number of runways; number of gates; areas of aprons; square footage of terminal buildings and cargo buildings; nav aids; number of public and employee parking spaces; and airport access facilities to provide a basis for feasibility, site selection, and concept studies.
- (6) Environmental study for consideration of the effects of proposed airport developments on ecosystems, parks, wilderness areas, and on life and the development of society and to provide a basis for the preparation of environmental impact statements.
- (7) Site selection after the requirements for a new airport have been established and based on the study of airspace, environmental factors, community growth, airport access, availability of utilities, land costs, and engineering factors which affect site development costs.
- (8) Airport layout plan to establish dimensioned layouts of an airport's existing and future runways, taxiways, aprons, terminal areas, approach zones, and air navigation facilities and based on engineering studies and on previously determined facility requirements and site selection.
- (9) Land use plans for areas within the boundaries of the airport to be developed by the airport operator and land use plans for areas outside these boundaries which are impacted by airport operations to be developed on a cosponsorship basis between the airport operator and the governmental organizations having planning and zoning jurisdiction over the areas involved.
- (10) Terminal area plans for the overall terminal complex and for components within that complex such as terminal buildings, cargo buildings, gates, hangars, shops, service buildings, motels, automobile parking, entrance roads, service roads, and fire-rescue buildings and limited to concept studies and conceptual drawings which include the dimensioning of overall layout plans, height limitations, and schematic drawings of building profiles which are necessary to picture concept flow processes.

- (11) Airport access plans to indicate the proposed routing of airport access facilities to central business districts and to points of connection with existing or planned arteries and based on airport access studies which take into account traffic demands, existing and potential access problems, highway and rapid rail facilities, V/STOL operations, and in-town terminal facilities.
- (12) Schedules of proposed development to indicate the staging of improvements proposed in the master plan and based on short, intermediate, and long-range forecasts (5, 10, and 20 years) of aviation activity.
- (13) Estimates of development costs for improvements proposed in the master plan as related to schedules of proposed development.
- (14) Study of economic feasibility of improvements proposed in the master plan based on comparison of annual costs required to implement the plan with annual revenues required to cover these costs.
- (15) Preparation of a financial plan for the implementation of proposed improvements based on various means of financing such as general obligation bonds, revenue bonds, taxation, private financing, government assistance, or combinations thereof.
- (16) Printing of master plan documents including reimbursement for a maximum of 20 copies of preliminary, interim, and drafts of final reports; 50 copies of technical versions of final reports; and condensed final reports for public consumption amounting to 200 copies for large hub airports, 150 copies for medium hub airports, and 100 copies for all other airports. (The printing of extra copies will be allowed if adequate justification is provided.)
- (17) Preparation of NASP forms for the NASP including FAA Form 5090-2, NASP Planning Data Sheet, FAA Form 5090-3, NASP Entry Criteria Worksheet, and FAA Form 5090-4, NASP Development Worksheet, and based on requirements developed in the airport master plan.
- (18) Administration of master plan projects based on reasonable direct and indirect costs incurred by sponsors and guidelines set forth in the Office of Management and Budget Circular No. A-87 (see Appendix 2).

- (19) Preparation and printing of an approved number of environmental impact reports covering improvements proposed in a master plan and based on the requirements of the National Environmental Policy Act of 1969 and current FAA guidance.
- (20) Public hearings and public information activities and publications as may be necessary or desirable for consideration by the public of proposed airport site selection or major improvements and based on the requirements of the Airport and Airway Development Act of 1970.

CHAPTER 2. THE APPLICATION PROCESS

5. GENERAL. The steps involved in the application process for the planning grant projects include preapplication conferences between sponsors and the FAA, preparation of applications by sponsors, approval of applications by FAA, and issuance of grant offers by FAA. System planning grants are usually processed by FAA regional offices, whereas, master planning grants are processed by airports district offices in those cases where the FAA region has a district office organization. The steps are described in the following paragraphs. Sample forms and application documents are also provided. When sponsors have difficulties in preparing applications, they should seek guidance from designated FAA field offices which have jurisdiction over the geographical area in which the airport or system of airports is located.
6. PREAPPLICATION CONFERENCES. The prospective sponsor of a planning project should contact the FAA field office serving the sponsor's locality prior to the preparation of a grant application. FAA personnel will advise the sponsor as to the validity of a project based on its relationship to Federal Aviation Regulations and to the national system of airports and will advise the sponsor on application content. Thereafter, the sponsor should confer with the FAA during his preparation of the application to insure that he prepares acceptable application documentation including scope and cost breakdown. Preapplication conferences are vital to the preparation of acceptable applications and to the expeditious issuance of grant offers.
7. PREPARATION OF APPLICATIONS BY SPONSORS. Grant applications must contain specific documentation to meet the requirements of the PGP and to insure that they are processed promptly. A list of the documents which must be submitted is shown below along with code numbers which designate whether the documentation is for a system plan or a master plan. Instructions on how to prepare the documentation are contained in subsequent paragraphs.

<u>ITEMS TO BE SUBMITTED</u>	<u>SYSTEM PLAN CODE NO.</u>	<u>MASTER PLAN CODE NO.</u>	<u>EXHIBIT NUMBERS</u>
Letter of Transmittal	SP 1	MP 1	1&2
Application Form (FAA Form 5910-1 for Master Plans) - (FAA Form 5920-1 for System Plans) - (FAA Form 5900-8, Title VI Assurances)	SP 2	MP 2	3,4,&5
Certification by local counsel establishing legal authority of the sponsor	SP 3	MP 3	6&7
Documentation authorizing submission of application (if applicable)	SP 4	MP 4	8&9
Coordination with other agencies	SP 5	MP 5	10&11
Description of work program	SP 6	MP 6	-
Basis of project cost estimates	SP 7	MP 7	-
Sources of funds	SP 8	MP 8	12&13
Force account request (if applicable)	SP 9	MP 9	14&15

- a. Letters of transmittal should provide a summary of the sponsor's intentions and general objectives, elaborate on any portion of the grant application procedures which need clarification, justify the omission of any documentation which normally constitutes a part of an application, and identify the person who is to represent the sponsor regarding the application including his name, title, address, and telephone number. Samples of transmittal letters for a master plan and a system plan are shown in exhibits 1 and 2 of Appendix 1.

- b. Application forms must be completed by sponsors to apply for planning grants. They must be accompanied by supporting documentation. FAA Form 5910-1 is used for an airport master planning grant application while FAA Form 5920-1 is used for an airport system planning grant application. The completed forms and documentation serve as a basis for approval of a project and become a part of the grant agreement. Forms and documentation must not be changed after submission without FAA approval. Samples of forms for a master plan and a system plan are shown in exhibits 3 and 4 of Appendix 1. As can be seen in these exhibits, the information required on the forms is simple and the instructions are self-explanatory. All entries on the forms should be consistent with supporting documentation such as description of work program, basis of project cost estimates, and sources of funds. Five copies of the application form and supporting documentation must be submitted to the appropriate FAA field office. Each copy should be accompanied by a completed FAA Form 5900-8, Standard DOT Title VI Assurances, a sample of which is shown in exhibit 5 of Appendix 1.
- c. Certification by Local Counsel Establishing Legal Authority of Sponsors. Documentation must be submitted which certifies that the sponsor is a legal entity and qualifies as a "public agency" in the case of a master planning project or a "planning agency" in the case of a system planning project unless the sponsor has established certification through an earlier project. The documentation must also certify that the sponsor is legally empowered to perform the type of planning work proposed in the application, that the sponsor is empowered to contract with the United States for the purpose of receiving and expending Federal funds, and that the sponsor is empowered to provide or obtain and expend other funds for planning purposes. For master plans certification should also indicate that the sponsor is empowered to implement the improvements which are proposed in the plan. Samples are shown in exhibits 6 and 7 of Appendix 1.
- d. Documentation Authorizing Submission of Application. If the sponsor's bylaws or internal procedures require an application to be authorized by a resolution or a similar procedure, the sponsor should submit authenticated copies of the resolution, minutes of the meeting at which the authorization was granted, or other documentation indicating that the appropriate procedure has been followed. Samples of authorizing documentation for a master plan and a system plan are shown in exhibits 8 and 9 of Appendix 1.

- e. Documentation Covering Coordination with Other Agencies. Planning grant applications must contain evidence that the proposed project has been subjected to the Project Notification and Review System required by Part I of the Office of Management and Budget Circular No. A-95. This circular requires sponsors to notify state, regional, and metropolitan area clearinghouses of their intention to apply for planning grant funds at least 60 days prior to submission of the application to the FAA. A sponsor's notification to clearinghouses should identify the sponsor and the airport or area to be studied and should briefly describe the purpose, depth, cost and anticipated benefits of the project. It should also identify the Federal and state programs under which assistance is being sought and provide an estimate of the scheduled commencement and duration of the study. Comments from the clearinghouses should be included in the documentation. A map of the study area involved is also recommended. Samples of required A-95 documentation resulting from sponsor notification to clearinghouses are shown in exhibits 10 and 11 of Appendix 1 for a master plan and a system plan.
- f. Description of Work Program. The work program (scope of work) for a proposed planning project must be prepared by the sponsor for inclusion in a planning grant application. This documentation should present a detailed description of each activity or element of study to be accomplished in a planning project along with a preliminary schedule for their accomplishment. The introduction to the work program should summarize previous airport planning and significant problem areas. The detailed descriptions of the study elements contained in the system and master planning advisory circulars should be used as guidance in preparing work programs, but sponsors should adapt those descriptions to their study needs rather than copy them directly for use in their applications. Study efforts will vary depending on the complexity and size of the area the airport or system of airports is to serve, on the status of those airports, and on information which may be available from earlier planning efforts. Thus, work programs which are proposed in an application should realistically describe each activity or element of study which will be accomplished in a planning grant project.
- g. Basis of Project Cost Estimates. Cost estimates covering work proposed for planning projects must be submitted with grant applications. Estimates should be broken down to relate to specific activities and elements of study which are described in the application work program and should be developed on a man-hour

and cost per man-hour basis, taking into account categories of employment to be utilized in each activity or element of study. Direct expenses such as travel should be related to particular activities or elements of study. Breakdowns should also designate force account work which will be accomplished by the sponsor's staff and work which will be accomplished under the third party contracts between the sponsor and consultants. In figuring estimates based on third party contracts, breakdowns may include contractor costs attributable to labor, overhead, profit, and travel, and sponsor costs attributable to travel and administration of third party contracts. Breakdowns of allowable costs for force account should be based on the direct and indirect costs specified in the Office of Management and Budget Circular No. A-87. Grants involving third party contracts may be based on lump sum agreements or cost plus fixed fee agreements which guarantee project completion with a "not to exceed" cost limitation. Lump sum agreements are preferred. Grants involving force account must guarantee project completion with a "not to exceed" cost limitation and payments for force account may not exceed actual audited costs incurred by sponsors. Prior to submission of applications, sponsors should consult with FAA field offices regarding project costs to insure that they are reasonable and to negotiate any misunderstandings which may arise concerning the cost and scope of individual work elements. This kind of coordination will resolve problems prior to submission of applications and expedite their approval.

- h. Sources of Funds. Applications must include evidence that sponsor resources are available to match the Federal planning grant assistance. Planning grants may not exceed two-thirds of the cost of a planning project. Verification must consist of evidence that money for defraying the sponsor's costs has been deposited in a bank or other depository, that money is available from non-sponsor sources for defraying sponsor costs, that money will be available to the sponsor for defraying costs, or that "in-kind" services in lieu of dollars will be available. Verification must also include the nature of assurances received by the sponsor and the steps taken to raise funds as of the date of application. Samples of documentation covering sponsor funds are shown in exhibits 12 and 13 of Appendix 1.

- i. Force Account Requests must include documentation covering the qualifications of employees and the work tasks they will perform to demonstrate the sponsor's ability to accomplish all or any part of a planning project. Samples of this documentation are shown in exhibits 14 and 15 of Appendix 1. If consultants have been selected to work on a project prior to the submission of an application, similar documentation regarding qualifications of the consultant should also be submitted.
 - j. Assembling the Application. After sponsors have prepared the above documentation and coordinated the content with FAA field offices through preapplication conferences, they should assemble the documentation into an application. An original and four conforming copies of the application should be prepared for submission to FAA. The application copies should be arranged in the order of documentation code numbers MP 1 through MP 9 for master plan applications and SP 1 through SP 9 for system plan applications. Each application copy should be placed in a separate binder. The binder cover should identify the name of the airport and the sponsor if the application is for a master plan or the location of the project and the sponsor if the application is for a system plan. The type of project (master plan, state system plan, regional system plan, or metropolitan area system plan) should also be identified along with the date of the application. Each of the five application binders should be identified by copy numbers 1 (for original forms and documentation), 2, 3, 4, and 5. The five completed application binders should then be submitted to the appropriate FAA field office for processing.
8. APPROVAL OF APPLICATIONS BY FAA. As stated in earlier paragraphs, it is extremely important that sponsors consult with FAA field offices in the preparation of documentation for project applications. This will insure that the format and content of an application have been properly prepared prior to its submission and that the FAA will be in a position to expedite its processing. The FAA will review each application for conformance with planning project requirements. The primary responsibility for review and approval of an application rests with the FAA field office having jurisdiction over a particular project. If an FAA field office disapproves an application because a project or a sponsor is ineligible for Federal assistance under the PGP, the application is returned to the sponsor along with a statement of the reasons for disapproval. If application documents require revision, the FAA field office will advise the sponsor of corrections which need to be made and the sponsor must then submit supplementary documentation to the field office. If a field office recommends approval of an application, it is sent on to the FAA's Airports Service in Washington for approval by the FAA Administrator. After the Secretary of Transportation notifies appropriate congressional delegations of the approval, the FAA field office informs the sponsor accordingly and makes a grant offer to the sponsor.

9. PLANNING GRANT AGREEMENTS. The grant offer is made on Part I of FAA Form 5900-1, Planning Grant Agreement. Samples of grant agreement forms are shown in exhibits 16 and 17 of Appendix 1. The information which the FAA supplies on the grant offer portion of the form is self-explanatory. It indicates the type of planning grant, names the sponsor, states the purpose of the project, designates the percentage and amount of the Federal grant assistance, and spells out the terms and conditions of the proposed grant agreement. The grant offer incorporates the approved project application into the proposed grant agreement and provides for the inclusion of any special conditions beyond the conditions contained on the standard form which may be necessary for the accomplishment of the project. The FAA field office sends an original and five copies of the grant offer to the sponsor. Part II of the grant agreement form provides for acceptance of the FAA's grant offer by the sponsor. The statements provided with Part II are also self-explanatory. By signing the grant agreement form, the sponsor accepts the grant offer including all statements, representations, warranties, covenants, and agreements which are contained in the approved application and in the grant offer. The sponsor's attorney is also required to sign a statement on the grant agreement form that the sponsor's acceptance of the grant is authorized by appropriate laws and that the agreement constitutes a legal and binding obligation of the sponsor in accordance with the terms of the grant. If required, the sponsor should also include copies of a resolution authorizing acceptance of the grant offer. The sponsor sends the original and four copies of the executed grant agreement to the appropriate FAA field office. The sponsor's signing of the grant agreement completes the project application process.
10. COMPREHENSIVE TRANSPORTATION PLANNING. Land use and surface transportation planning cannot effectively proceed without attention to long-range airport requirements. The logic of planning all transportation systems concurrently, and in a highly coordinated fashion, has spearheaded the development of unified transportation planning work programs underwritten by the several modal administrations in the U. S. Department of Transportation (DOT). Additionally, a trial program, the Integrated Grant Administration (IGA) Program, established by the Office of Management and Budget, is attempting to bring together all planning efforts to improve coordination and timing and to provide for more effective delivery of Federal planning assistance. These programs can bring long-range airport system planning into the total planning process under the leadership of areawide planning agencies and allow for the development of an airport system framework which is based on regional goals and objectives as well as national and interstate goals and objectives. For these reasons, regional and metropolitan area system plans can be applied for as part of the following programs:

a. Unified Work Program. The development of a Unified Work Program is the joint responsibility of areawide planning agencies, state DOT's or highway departments, and other planning or operating agencies authorized to carry out transportation planning within metropolitan areas. Federal coordination and review of Unified Work Program grant applications are accomplished through the U. S. Department of Transportation Field Intermodal Planning Groups (IPG's) and should be submitted in accordance with their instructions and guidance. The Unified Work Program should be viewed as a major step in any region toward the development or continuation of an intermodal planning program. Essentially, it is a mechanism for documenting the consolidation and coordination of all transportation and transportation-related planning activities within a metropolitan area. As such, it identifies responsibilities at various levels of government and simplifies the application and management processes for transportation planning. It has the potential for representing the transportation work element of an IGA Program and being an integral component of the HUD required Overall Program Design (OPD). A unified work problem should include the following:

- (1) A Unified Work Program should detail all transportation and transportation-related planning activities anticipated within the area during the year, regardless of funding source and should include both federally funded programs and those that are funded entirely at the local or state level.
- (2) The individual work tasks in the program should be defined and fully described. These descriptions should indicate the objectives of the tasks and the methodology, products, etc. If appropriate, it should indicate the intermodal nature of the task both in narrative and funding terms.
- (3) The Unified Work Program should include program funding responsibility. Certain items will be specifically related to the aviation mode and would therefore be eligible for funding under the FAA's Planning Grant Program. Other items will be of a more general nature (i.e., population data, travel demand data, etc.) and funding will occur through distribution of the total item cost among the involved programs. Appropriate proportions for distribution should be worked out cooperatively in each individual case.

- (4) It is desirable for areawide agencies such as Councils of Government, Regional Planning Commissions, or other umbrella agencies to coordinate the preparation of the unified program and the implementation of activities to be undertaken. However, it is essential that other planning and implementing agencies such as state highway departments, transit authorities, and airport operators be an integral part of the planning process and that their needs be reflected in the program.
 - (5) The basic application documentation required for the airport planning portion of Unified Work Programs is the same as for a normal planning grant application as is the FAA's administration of the project, although coordinated through the IPG. Additionally, the effective integration of the metropolitan/regional aviation effort with the statewide aviation system planning process must be present.
- b. Integrated Grant Administration Program (IGA). This program involves the incorporation of transportation work programs into a broader program involving other non-modal planning activities. Administration and management of the program on the Federal side is through a single "lead agency" which may not necessarily be a modal agency, and under the broad direction of the Federal Regional Council (FRC). Organization task descriptions and bases for costs of the aviation program will be the same as for Unified Work Programs and in the same degree of detail as required for the normal planning grant application. While a completely detailed work description will be required, some of the normal planning grant administrative requirements may be altered to fit the individual case and meet OMB objectives which are contained in their memorandum of January 14, 1972, which, is entitled "The Integrated Grant Administration (IGA) Program."

CHAPTER 3. ADMINISTRATION OF PLANNING PROJECTS

11. GENERAL. After the planning grant agreement between a sponsor and the FAA has been consummated, the sponsor carries out the work required to complete the project as specified in the terms and conditions of the grant agreement. In so doing, the sponsor will usually have to refine the organization and scheduling of his study effort, enter into contracts with consultants, perform work on project study elements as scheduled, submit project status reports to FAA, and submit interim project reports and requests for partial payments to FAA for review and approval. A planning grant is completed when the FAA accepts a final project report and honors a sponsor's request for the final grant payment. During the course of a project, a sponsor may also have to effect changes in the project work program due to unforeseen circumstances. Changes in work programs must also be approved by the FAA. Guidance and procedures for accomplishing these steps are contained in the following paragraphs. As is the case with the application process, the sponsors should work closely with the designated FAA field offices in resolving administrative problems during the performance of planning project work.
12. PROJECT SCHEDULES. A preliminary estimate of scheduling must be submitted with the project application. However, this schedule will often need to be refined after consummation of the grant agreement because of contractual arrangements the sponsor may make with consultants and because of adjustments in force account work which are to be accomplished by the sponsor's staff. The overall completion time of a project should not be changed from the schedule submitted with the application. The FAA field office will usually be in a position to assist sponsors in developing and refining schedules because of their experience with other planning projects.
13. CONSULTANT SELECTION. Although most consultants are selected prior to the submission of an application, sponsors usually enter into contracts with consultants after the grant agreement has been entered into. A proposed consultant contract must be submitted to the FAA field office for review. The field office will review the scope and cost of the services which will be provided by the consultant and his subcontractors and reserves the right to disapprove their employment on a project. In selecting a consultant, the sponsor may wish to seek the advice of a field office in developing a scope of services to be performed by a consultant. However, the field office will not recommend consultants to sponsors or participate in the consultant selection process. The FAA does recommend that sponsors

consider three or more consultants depending on the magnitude of a project and that they make their selection on the basis of a consultant's aviation planning experience, technical competence, and demonstrated ability to complete projects on schedule. A sponsor should analyze his needs, send letters to prospective consultants to seek expressions of interest and related resumes of experience, send request for proposals to consultants on a selective basis, and establish a consultant selection panel to conduct consultant interviews. After the consultants have been evaluated by the panel, the sponsor should enter into a contract with the top rated consultant if a reasonable price can be negotiated. If a reasonable contract cannot be negotiated, the sponsor should then enter into negotiations with the consultant who was rated second best by the selection panel. If consultants are selected through the above process, sponsors will be in a position to hire consultants who are well qualified to work on their particular project and to receive FAA concurrence in their selection.

14. PROJECT STATUS REPORTS. Sponsors are required to submit periodic status reports, in letter form, to FAA field offices. They will normally be provided on a monthly basis. This requirement is contained in the grant agreement. The status reports should include estimates of completed work by percentages for major elements or phases of work, reports of significant meetings, reports on current or anticipated delays to a project, and reports on the status of special problems which may affect the timely prosecution of the project. Status reports help to keep sponsors and FAA field offices abreast of project activities and are useful in keeping the aviation community and the public informed of airport planning progress.
15. INTERIM PROJECT REPORTS. Interim project reports will normally be prepared to describe the results of particular phases or elements of planning projects. In the case of master plans, interim reports should be submitted after studies involving the establishment of airport requirements, the selection of airport sites, the preparation of master plan drawings, and the development of financial plans have been completed. In the case of system plans, interim reports should be submitted after major study elements have been completed. Interim reports will be submitted in accordance with requirements set forth in the grant agreement. If appropriate, designated FAA field offices will review and then endorse, approve, or disapprove interim reports. The reports should also be submitted to various aviation interests involved in planning proposals for their review and comment. In some cases, endorsement may be given to a particular phase or element of study pending airspace and environmental determination or the outcome of public hearings. Interim reports will frequently provide the basis for honoring sponsor requests for partial agreements and for authorizing sponsors to proceed with the subsequent elements of study. Sponsors should submit three copies of interim reports to designated FAA field offices.

16. PARTIAL PAYMENTS. Sponsor requests for partial payments should be submitted on FAA Form 5900-2, Application and Voucher for Planning Grant Payment. The partial payment requests should be accompanied by FAA Form 5900-3, Summary of Planning Project Costs. Samples of these forms are shown in exhibits 18 and 19 of Appendix 1. They should be prepared in accordance with the instructions contained on the form. The frequency of partial grant payments will be as established in the grant agreement and will not be made more frequently than once a month. The total amount of partial grant payments may not exceed 90 percent of the Federal share of a project. Sponsors must submit three copies of partial payment requests to the FAA field office which has jurisdiction over their projects. The field office will review the requests to verify that project work has been completed as stated by the sponsor and will then forward two certified copies to the FAA regional office from which payments will be effected. Before certifying requests for partial payments, field offices may require sponsors to furnish proof of work which has been accomplished on partially completed work elements or may make field inspections to determine the status of projects. In this regard, the interim project reports described in the previous paragraph will often provide important assistance to field offices in the processing of partial payment requests.
17. FINAL PROJECT REPORTS. On completion of a project study effort, the sponsor is required to submit five copies of the final project report in draft form to the designated FAA field office for review. Final project reports are similar to interim reports except that they should describe the results of all project study elements. Previously completed interim reports should be incorporated into the final project report. After review the FAA will endorse, approve, or disapprove final report drafts. Drafts should also be submitted to various aviation interests involved in planning proposals for their review and comment. In some cases, endorsement may be given pending airspace or environmental determinations or the outcome of public hearings regarding improvements proposed in the reports. In other cases, the FAA may approve certain elements of a final report while taking exception to other element conclusions. In this event, the FAA will make its exceptions known to sponsors through written comments and suggest that the sponsor modify the report results accordingly. Hopefully, differences of opinion will be resolved through discussions between the FAA and sponsors and an approved project report will then be published in final form. If differences cannot be resolved, the sponsor will publish the report in final form but the FAA will make its position on the unresolved differences known to the sponsor through written comment. After publication of the final project report, sponsors should submit their request for final payment to the responsible FAA field office for processing along with five copies of the published final project report.

18. FINAL PAYMENT AND CLOSE OUT. After draft versions of final project reports have been reviewed by the FAA and sponsors have published final reports which adequately cover the completion of all activities and elements of study required by the terms and conditions of the grant agreement, the FAA will be in a position to process requests for final payment and close out the planning grant project. Three copies of final payment requests along with five copies of the published final report must be submitted to the designated FAA field office for processing. Requests for final payment must be made on FAA Form 5900-2, Application and Voucher for Planning Grant Payment, and should be accompanied by FAA Form 5900-3, Summary of Planning Project Costs. Samples of these forms are shown in exhibits 18 and 19 of Appendix 1. They should be prepared in accordance with instructions contained on the forms. The FAA field office will review the published final project report and the request for final payment to verify that all project work has been completed and will then forward two certified copies to the FAA regional office from which final payment will be effected. After the project has been audited by the FAA, final payment will be made and the project will be closed out.
19. RETENTION OF PROJECT RECORDS. All records and documents pertaining to a planning grant agreement must be retained by the sponsor for a period of three years after receipt of final payment. This requirement also applies to project records and documents of consultants who have performed work for sponsors under cost plus fixed fee contracts. It does not apply to consultants who perform work for sponsors on a lump sum contract basis. During the three year period the record and documents must be made available to representatives of the FAA or the Comptroller of the United States for examination on their request.
20. PROJECT CHANGES. During the course of a project, the need for changing the scope of work may arise due to circumstances which could not be foreseen at the time of application. Revisions to the scope of a project which will not affect the overall cost of a project will be permitted providing written requests by the sponsor for such changes are approved by the FAA field office having jurisdiction over the project. Revisions to the scope of work which will reduce the cost of a project will be permitted providing written requests for such changes, including reductions in cost, are approved by the FAA field office in the form of an amendment to the existing grant agreement. Planning grants will not be modified to provide additional funds for an increase in the scope of a project. If a sponsor desires to expand the scope of work, a new grant application must be submitted to cover additional work items. The new grant application will be processed on a priority basis and subjected to the same review as the original application except that the application will not have to go through the A-95 Project Notification and Review System unless the change adds a new dimension to the project. Clearinghouses will be notified by the FAA of increases in the cost of projects as required by the office of Management and Budget Circular No. A-98.

CHAPTER 4. USE OF COMPLETED PLANS

21. GENERAL. Airport system plans and master plans provide a basis for airport development decisions at local, state, and Federal governmental levels and make important contributions to comprehensive planning activities, particularly ground transportation and land use planning at the local level. Information which is developed as the result of airport planning projects also provides input for the National Airport System Plan and the National Transportation Study. Planning reports are used to inform the public of the need for airport development and provide a basis for public consideration of alternative proposals. To be effective, adopted plans should be kept current by updating to reflect major changes in aviation and community development and should be kept available for public use and consideration.
22. SPONSOR USE. Sponsors should use adopted plans as a basis for proceeding with orderly and timely airport development and as justification for capital investment requirements. Their planning reports should be widely distributed so that the public is aware of what to expect in airport development over the ensuing years and so that they are available to local governmental agencies and aviation interests for use in planning activities and developments which will be affected by airport operations.
23. NATIONAL AIRPORT SYSTEM PLAN (NASP). System and master planning recommendations of state and local agencies will be incorporated into the NASP by the FAA. To facilitate this incorporation, grant agreements will normally require sponsors to fill out NASP forms as part of planning project efforts.
24. NATIONAL TRANSPORTATION STUDY. The Department of Transportation has undertaken a National Transportation Study which is to be used as a basis for legislative and expenditure recommendations to the President and Congress. Airport system and master plans will be used as a data source for the Needs Study.
25. UPDATING PLANS. After airport system and master plans have been prepared and adopted, it is important that they be updated to reflect changes in aviation technology and airport or community development. Updating will not only insure the proper development of individual airports but will also provide a valuable contribution to the process of continuous planning for the Nation's airport system. Sponsors should keep their plans current on a continuing basis. Federal

assistance for the major updating of plans should not be required within three to five years of their original preparation unless unforeseen circumstances require major revision of plans within that period. Sponsors must submit new planning grant applications when they desire Federal assistance for the updating of existing plans.

26. OWNERSHIP OF PLANNING PROJECT DRAWINGS AND DOCUMENTS. All original tracings, plans, maps, computerized programs, and reports which are prepared as the result of planning projects, whether by sponsor force account or under consultant contracts, become the property of and are to be maintained by the sponsor. However, the cover sheets of all documents must contain the following notice: "The preparation of this planning project was financed in part through a planning grant from the Federal Aviation Administration, Department of Transportation, under the provisions of the Airport and Airway Development Act of 1970, as amended." On request of the Government, they shall be made available for examination or reprinting purposes.

APPENDIX 1. SAMPLES OF DOCUMENTATION FOR THE PLANNING GRANT PROGRAM
EXHIBIT 1. MASTER PLAN LETTER OF TRANSMITTAL (MP 1)

June 1, 1972

(See AC 150/5000-3A
for appropriate FAA
office address)

Dear Mr. _____:

The Good Hope Municipal Airport master planning grant application for the City of Good Hope, dated June 1, 1972, is herewith transmitted. The purpose of the master plan is to provide guidelines for future development which will satisfy aviation needs, community goals, and be compatible with the environment.

The Good Hope Municipal Airport is in need of a revised and updated master plan for development. The existing airport layout plan approved by the Federal Aviation Administration in 1964 no longer reflects the conditions and needs of the airport and the community. Operations on the airport need review, and airport lands, both vacant and developed, have a greater potential benefit to the City and the airport than is now being realized.

The intent of the proposed program is to prepare a comprehensive airport master plan to cover the years 1972 through 1992, by which time it is expected that the Good Hope Municipal Airport will have accomplished its ultimate development.

The authorized representative of the City of Good Hope on matters related to this airport master planning grant application is:

Henry Smith, A.A.E., Airport Manager
Good Hope Municipal Airport
Good Hope, California 90713
Telephone: 213-657-9132

This airport master planning grant application is submitted for your approval. If there are any questions related to this application or any further documentation, please advise Mr. Smith or members of his staff.

Very truly yours,

/S/

JOHN A. DOE
City Manager

EXHIBIT 2. SYSTEM PLAN LETTER OF TRANSMITTAL (SP 1)

June 1, 1972

(See AC 150/5000-3A
for appropriate FAA
office address)

Dear Mr. _____:

Enclosed is the airport system planning grant application and supporting documents requesting Federal matching funds to support the State of _____ airport system planning project.

The plan will be jointly sponsored by the _____ State Board of Aeronautics and the _____ Department of Transportation. You will find enclosed a resolution of approval for such joint sponsorship.

The organization and coordination aspects of the study including the letter of agreement with the metropolitan area planning bodies of _____ and _____ are indicated in the SP 5 section. The coordinating process established facilitates and insures cooperation among local, state, and Federal agencies as well as among the various modes of transportation in the State of _____. We have had no negative input during the A-95 review portion of this planning endeavor to indicate that coordination will be hampered in any manner.

The overall goal of this planning endeavor is to promote the development of a statewide system of aeronautical facilities and services as an integral part of the overall transportation system. When accomplished, the State of _____ may be justly proud of its aeronautical system.

The authorized agency heads are Mr. _____, Chairman of the _____ State Board of Aeronautics, and Mr. _____, Director of the _____ Department of Transportation. The project director will be Mr. _____ of the _____ State Board of Aeronautics.

Sincerely,

Ralph Cost
Director

EXHIBIT 3. AIRPORT MASTER PLANNING GRANT APPLICATION

DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION AIRPORT MASTER PLANNING GRANT APPLICATION		Form Approved. OMB No. 04- R0190 TO BE FILLED IN BY FAA PROJECT NO. <table border="1" style="width:100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table> DATE RECEIVED										
INSTRUCTIONS--Submit five (5) copies along with required supporting documentation to appropriate Federal Aviation Administration (FAA) field office. This form together with the required documentation constitutes a complete application.												
1 THE GRANT OF FEDERAL FUNDS APPLIED FOR WILL BE USED FOR AIRPORT MASTER PLANNING AT: (Specify)												
A AIRPORT LOCATION City of Good Hope, California												
B (Check applicable box and complete requested information) <input checked="" type="checkbox"/> EXISTING AIRPORT (Specify name) <u>Good Hope Municipal Airport</u> <input type="checkbox"/> NEW AIRPORT - SITE NOT SELECTED <input type="checkbox"/> NEW AIRPORT - SITE SELECTED AND APPROVED BY FAA (If the applicant has tentatively selected a site, he should obtain FAA site approval before applying for an Airport Master Planning Grant).												
2 SUBMISSION (Check applicable boxes) and complete requested information) <input checked="" type="checkbox"/> INITIAL APPLICATION <input type="checkbox"/> REVISION OF PREVIOUS APPLICATION DATED _____, 19____, FOR PURPOSES OF CHANGE IN <input type="checkbox"/> PROJECT COSTS <input type="checkbox"/> WORK ELEMENTS <input type="checkbox"/> OTHER (Explain)												
3 PROJECT SUMMARY (Must be consistent with required documentation)												
AIRPORT MASTER PLAN PHASES (Check applicable boxes and complete requested information) (1)		ESTIMATED MAN-HOURS TO COMPLETE (2)										
ESTIMATED COST OF SERVICES (Dollars) (3)												
A	<input checked="" type="checkbox"/> AIRPORT REQUIREMENT STUDIES	480	\$ 8,900									
B	<input type="checkbox"/> SITE SELECTION											
C	<input checked="" type="checkbox"/> AIRPORT PLANS	530	10,375									
D	<input checked="" type="checkbox"/> FINANCIAL PLANS	460	8,600									
E	<input checked="" type="checkbox"/> OTHER Meetings (Specify) <u>Printing, Publications, Coordination</u>	700	12,500									
F	(Sum of Lines 3A thru 3E) TOTAL ▶	2,170	\$ 40,375									
G	TOTAL TIME TO COMPLETE PROJECT (In calendar months)	MONTHS 8										
4 PROJECT FUNDING (Must be consistent with required documentation)												
PROJECT (1)		TOTAL AMOUNT (Dollars) (2)	COMPLETE ONLY IF REVISION CHANGE IN PREVIOUS AMOUNT (+ OR -) (3)									
A	FEDERAL GRANT APPLIED FOR (Not to exceed two-thirds of eligible project cost)	\$ 26,917	() \$									
B	APPLICANT FUNDS TO BE PROVIDED	13,458	()									
C	OTHER FUNDS TO BE PROVIDED		()									
D	TOTAL ESTIMATED COST OF PROJECT	\$ 40,375	() \$									

REPRESENTATIONS AND ASSURANCES

The Applicant/Coapplicants (herein called the "Sponsor") hereby applies to the Federal Aviation Administration (hereinafter called the "FAA") for the grant indicated in Item 4 above, under the provisions of the Airport and Airway Development Act of 1970, as amended, and the Federal Aviation Regulations issued thereunder (hereinafter referred to as the "Act" and the "Regulations"), to aid in defraying the cost of the Airport Master Planning project described in the documentation submitted in support of this application.

The Sponsor represents that it has the legal power and authority (a) to do all things necessary in order to undertake and carry out airport master planning in conformity with the Act and the Regulations, and (b) to accept, receive, and disburse funds in aid of the airport master planning, on the terms and conditions stated in the Act and the Regulations.

The Sponsor further represents that it has or will have available when needed sufficient funds to defray, with the requested grant, the cost of the project; that it intends, insofar as it is within its power and reasonably possible, to undertake the recommendations given in the Airport Master Planning developed under this project and to assure compatible use of land adjacent to or in the vicinity of the airport identified in Item 1 above; that the proposed project has been approved by all non-Federal agencies whose approval is required.

The Sponsor further represents that it is not in default on any obligation to the United States or any agency of the United

States Government relative to the development, operation, or maintenance of any airport, except as stated in supporting documentation; that there are no possible disabilities which in reasonable probability might make it impossible for the Sponsor to carry out and complete the project either by limiting its legal or financial ability or otherwise, except as stated in supporting documentation; that the data and information in support of and constituting part of this application for a grant are true, correct, and complete; that the filing of this application has been duly authorized; and that the undersigned officer (officers) has (have) been duly empowered (a) to file this application for and in behalf of the Sponsor, (b) to provide such additional information and documents as may be required, and (c) otherwise to act as the authorized representative of the Sponsor in connection with all matters pertaining to this application and any grant contract that may be executed pursuant to this application.

The Sponsor assures that the project will be conducted in compliance with all the requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964, and by Part 21 of the Regulations of the Office of the Secretary of Transportation, as amended.

If this application or any portion thereof is approved by the FAA and an offer of Federal aid for such approved application is accepted by the Sponsor, it is understood and agreed that all work included in such application will be accomplished in accordance with the Act and the Regulations, and the Airport Master Planning Grant Agreement.

IN WITNESS WHEREOF, the Sponsor has caused this application to be duly executed in its name by its undersigned officer (or officers) on this _____ day of _____, 19____, in _____, County of _____, State of _____.

LEGAL NAME OF APPLICANT/COAPPLICANT (i.e., the agency authorized to contract with the Federal Government)	BY (Signature of Authorized Officer)
MAILING ADDRESS (No. and Street, City, State, ZIP Code)	TITLE
LEGAL NAME OF COAPPLICANT (i.e., the agency authorized to contract with the Federal Government)	BY (Signature of Authorized Officer)
MAILING ADDRESS (No. and Street, City, State, ZIP Code)	TITLE
LEGAL NAME OF COAPPLICANT (i.e., the agency authorized to contract with the Federal Government)	BY (Signature of Authorized Officer)
MAILING ADDRESS (No. and Street, City, State, ZIP Code)	TITLE

EXHIBIT 4. AIRPORT SYSTEM PLANNING GRANT APPLICATION

DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION		Form Approved. OMB No. 04-R0191									
AIRPORT SYSTEM PLANNING GRANT APPLICATION		TO BE FILLED IN BY FAA									
INSTRUCTIONS —Submit five (5) copies along with required supporting documentation to appropriate Federal Aviation Administration (FAA) field office. This form together with the required documentation constitutes a complete application.		PROJECT NO.									
		<table border="1" style="width:100%; height: 20px;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>									
		DATE RECEIVED									
1 NAME OF APPLICANT PLANNING AGENCY(IES) (Enter legal name(s) of agency(ies) making application)											
State Board of Aeronautics Department of Transportation											
2 THE GRANT OF FEDERAL FUNDS APPLIED FOR WILL BE USED FOR AIRPORT SYSTEM PLANNING FOR THE FOLLOWING SPECIFIED AREA: (Check applicable box and complete requested information)											
<input checked="" type="checkbox"/> STATE (Specify name) _____ <input type="checkbox"/> METROPOLITAN (Specify name) _____ <input type="checkbox"/> REGIONAL (Specify name and location) _____ <input type="checkbox"/> COMBINATION OF ABOVE (Specify name and location) _____											
3 SUBMISSION (Check applicable box(es) and complete requested information)											
<input checked="" type="checkbox"/> INITIAL APPLICATION <input type="checkbox"/> REVISION OF PREVIOUS APPLICATION DATED _____, 19____, FOR PURPOSES <input type="checkbox"/> PROJECT COSTS <input type="checkbox"/> WORK ELEMENTS <input type="checkbox"/> PLANNING AREAS <input type="checkbox"/> OTHER (Explain)											
4 PROJECT SUMMARY (Must be consistent with required documentation)											
AIRPORT SYSTEM PLAN WORK ELEMENTS (List eligible work elements and complete requested information. If more space is needed, continue on additional sheet.)		ESTIMATED MAN-HOURS TO COMPLETE (2)	ESTIMATED COST OF SERVICES (Dollars) (3)								
1. Program organization		446	\$ 10,673								
2. Inventory and evaluation of information		2,561	\$ 61,285								
3. Utilization and capacity analysis		1,882	45,036								
4. Identification of future aviation system plan		1,840	44,030								
5. Development and evaluation of alternative aviation system plans		2,094	50,110								
6. Development of implementation programs		2,050	49,056								
7. Report preparation		656	15,750								
TOTAL ▶		11,529	\$ 275,940								
TOTAL TIME TO COMPLETE PROJECT (In calendar months)		MONTHS									
5 PROJECT FUNDING (Must be consistent with required documentation)											
PROJECT (1)		TOTAL AMOUNT (Dollars) (2)	COMPLETE ONLY IF REVISION CHANGE IN PREVIOUS AMOUNT (+ OR -) (3)								
A FEDERAL GRANT APPLIED FOR (Not to exceed two-thirds of eligible project cost)		\$ 183,960	() \$								
B APPLICANT FUNDS TO BE PROVIDED		91,980	()								
C OTHER FUNDS TO BE PROVIDED			()								
D TOTAL ESTIMATED COST OF PROJECT		\$ 275,940	() \$								

REPRESENTATIONS AND ASSURANCES

The Applicant/Coapplicants (herein called the "Sponsor") hereby applies to the Federal Aviation Administration (hereinafter called the "FAA") for the grant indicated in Item 5 above, under the provisions of the Airport and Airway Development Act of 1970, as amended, and the Federal Aviation Regulations issued thereunder (hereinafter referred to as the "Act" and the "Regulations"), to aid in defraying the cost of the Airport System Planning project described in the documentation submitted in support of this application.

The Sponsor represents that it has the legal power and authority (a) to do all things necessary in order to undertake and carry out airport system planning in conformity with the Act and the Regulations, and (b) to accept, receive, and disburse funds in aid of the airport system planning, on the terms and conditions stated in the Act and the Regulations.

The Sponsor further represents that it has or will have available when needed sufficient funds to defray, with the requested grant, the cost of the project; that it intends, insofar as it is within its power and reasonably possible, to undertake the recommendations given in the Airport System Planning developed under this project and to promote compatible use of land adjacent to or in the vicinity of any public use airport in the area identified in Item 2 above; that the proposed project has been approved by all non-Federal agencies whose approval is required.

The Sponsor further represents that it is not in default on a planning contract or other planning obligation to the United

States or any agency of the United States Government except as stated in supporting documentation; that there are no possible disabilities which in reasonable probability might make it impossible for the Sponsor to carry out and complete the project either by limiting its legal or financial ability or otherwise, except as stated in supporting documentation; that the data and information in support of and constituting part of this application for a grant are true, correct, and complete; that the filing of this application has been duly authorized; and that the undersigned officer (officers) has (have) been duly empowered (a) to file this application for and in behalf of the Sponsor, (b) to provide such additional information and documents as may be required, and (c) otherwise to act as the authorized representative of the Sponsor in connection with all matters pertaining to this application and any grant contract that may be executed pursuant to this application.

The Sponsor assures that the project will be conducted in compliance with all the requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964, and by Part 21 of the Regulations of the Office of the Secretary of Transportation, as amended.

If this application or any portion thereof is approved by the FAA and an offer of Federal aid for such approved application is accepted by the Sponsor, it is understood and agreed that all work included in such application will be accomplished in accordance with the Act and the Regulations, and the Airport System Planning Grant Agreement.

IN WITNESS WHEREOF, the Sponsor has caused this application to be duly executed in its name by its undersigned officer

(or officers) on this _____ day of _____, 19____, in _____, County
of _____, State of _____.

LEGAL NAME OF APPLICANT/COAPPLICANT (i.e., the agency authorized to contract with the Federal Government)	BY (Signature of Authorized Officer)
MAILING ADDRESS (No. and Street, City, State, ZIP Code)	TITLE
LEGAL NAME OF COAPPLICANT (i.e., the agency authorized to contract with the Federal Government)	BY (Signature of Authorized Officer)
MAILING ADDRESS (No. and Street, City, State, ZIP Code)	TITLE
LEGAL NAME OF COAPPLICANT (i.e., the agency authorized to contract with the Federal Government)	BY (Signature of Authorized Officer)
MAILING ADDRESS (No. and Street, City, State, ZIP Code)	TITLE

EXHIBIT 5. STANDARD DOT TITLE VI ASSURANCES

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
STANDARD DOT TITLE VI ASSURANCES
(FOR USE WITH PLANNING GRANT APPLICATION)

The _____

(hereinafter referred to as the "Sponsor") HEREBY AGREES THAT as a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-4 2 U.S.C. 2000d-4 (hereinafter referred to as the Act), and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the Regulations) and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the sponsor receives Federal financial assistance from the Department of Transportation, including the Federal Aviation Administration, and HEREBY GIVES ASSURANCE THAT it will promptly take any measures necessary to effectuate this agreement. This assurance is required by subsection 21.7(a)(1) of the Regulations.

More specifically and without limiting the above general assurance, the Sponsor hereby gives the following specific assurances with respect to its Planning Grant Program.

1. That the Sponsor agrees that each "program," as defined in subsections 21.23(e) and 21.23(b) of the Regulations, will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to, the Regulations.

2. That the Sponsor shall insert the following notification in all solicitations for bids for work or material subject to the Regulations and made in connection with all Planning Grant Program and, in adapted form, in all proposals for negotiated agreements:

The Sponsor, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority

business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

3. That the Sponsor shall insert the clauses of Appendix A of this assurance in every contract subject to the Act and the Regulations.

4. That this assurance obligates the Sponsor for the period during which Federal financial assistance is extended to the program.

5. The Sponsor shall provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he delegates specific authority to give reasonable guarantee that it, other sponsor, subgrantees, contractors, subcontractors, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Act, the Regulations and this assurance.

6. The Sponsor agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Act, the Regulations, and this assurance.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Sponsor by the Department of Transportation under the Planning Grant Program and is binding on it, other recipients, subgrantees, contractors, subcontractors, transferees, successors in interest and other participants in the Planning Grant Program. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Sponsor.

DATED _____

(Sponsor)

by _____
(Signature of Authorized Official)

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

(1) Compliance with Regulations: The contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

(2) Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations.

(3) Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

(4) Information and Reports: The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be

pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Sponsor or the Federal Aviation Administration as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the (Sponsor) shall impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) *withholding of payments to the contractor under the contract until the contractor complies, and/or*

(b) *cancellation, termination or suspension of the contract, in whole or in part.*

(6) Incorporation of Provisions: The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempted by the Regulations or directives issued pursuant thereto. The contractor shall take such action, with respect to any subcontract or procurement, as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the Sponsor, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXHIBIT 6. MASTER PLAN LETTER OF CERTIFICATION (MP 3)

June 1, 1972

Mr. John Doe
City Manager
City of Good Hope
Good Hope, California 90713

Dear Mr. Doe:

Re: Application for Airport Master Planning Grant

I have examined the above identified application and supporting documentation by the City of Good Hope for an airport master planning grant under the Airport and Airway Development Act of 1970 (Public Law 91-258, Section 13).

It is my opinion that:

1. The City of Good Hope is a municipal corporation in the County of Los Angeles, State of California, and qualifies as a "public agency."
2. The City of Good Hope is fully empowered to provide the type of planning assistance or perform the type of planning work proposed in the above identified application for which Federal financial assistance is sought.
3. The City of Good Hope is empowered to receive and expend Federal funds and to provide or obtain and expend other funds for the purposes stated in paragraph 2 above.
4. The City of Good Hope is empowered to contract with the United States for the purpose of receiving and expending Federal funds.

Very truly yours,

William West
City Attorney

EXHIBIT 7. SYSTEM PLAN LETTER OF CERTIFICATION (SP 3)

(See AC 150/5000-3A
for appropriate FAA
office address)

Dear Mr. _____:

SUBJECT: _____ Aviation System Plan
Certificate of Sponsor's Authority SP 3

I, _____, an Assistant Attorney General for the State of _____, acting as legal advisor for the _____ State Board of Aeronautics and the _____ Department of Transportation, herein referred to as the sponsor, by and through the Office of the Attorney General, _____, do hereby certify:

That I have examined the general laws of the State _____ and found that the sponsor is a legal entity and is authorized to engage in planning activity pursuant to law. Further, the sponsor is legally empowered to provide the planning assistance and engage in the work proposed in this application. That the sponsor is empowered to receive and expend Federal funds and to provide or obtain and expend other funds for the aforementioned purposes. That the sponsor is empowered to contract with the United States for the purpose of receiving and expending Federal funds.

DATED at _____, this 11th day of May 1972.

Assistant Attorney General

EXHIBIT 8. MASTER PLAN RESOLUTION (MP 4)

RESOLUTION NO. 72-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOOD HOPE AUTHORIZING AND DIRECTING THE CITY MANAGER TO SUBMIT AN APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION FOR PLANNING GRANT PROGRAM FUNDS TO ASSIST THE FINANCING OF A MASTER PLAN FOR THE GOOD HOPE MUNICIPAL AIRPORT.

WHEREAS, the City of Good Hope is in need of a master plan which will provide guidelines for future development of the Good Hope Municipal Airport to fulfill aviation needs, meet community goals, and be compatible with the environment; and

WHEREAS, at their meeting of January 15, 1972, the City Council by minute motion authorized and directed the City Manager to prepare and submit an application to the Federal Aviation Administration for a planning grant for the airport master plan project and to proceed with staff preliminaries for the development of the master plan; and

WHEREAS, at their meeting of April 23, 1972, the City Council approved the selection of the firm of Martin and Johnson to develop a master plan for the airport; and

WHEREAS, the Airport and Airway Development Act of 1970 (Public Law 91-258, Section 13) provides for grants of funds to municipalities for airport master planning; and

WHEREAS, it is in the public interest that an application for a planning grant be filed to apply for funds from the Federal Aviation Administration.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOOD HOPE that the City Manager is hereby authorized and directed to submit an application to the Federal Aviation Administration, Department of Transportation, for an airport master planning grant under the provisions of Public Law 91-258 to assist the financing of a master plan for the Good Hope Municipal Airport.

Introduced, approved, and adopted this 14th day of May, 1972.

/S/ George Murkos
Mayor of the City of Good Hope

ATTEST:

/S/ Don Brown
City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF GOOD HOPE)

I, Don Brown, City Clerk of the City of Good Hope, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of Good Hope, California.

EXHIBIT 9. SYSTEM PLAN RESOLUTION (SP 4)

RESOLUTION:

BE IT HEREBY RESOLVED THAT:

The _____ State Board of Aeronautics and the _____
Department of Transportation will provide joint sponsorship for the
forthcoming State of _____ Aviation System Plan.

The sponsors, on March 31, 1972, approved the submission of required
documents.

BY: _____
Director, State Board of
Aeronautics

DATE: _____

BY: _____
Director, _____ Department
of Transportation

DATE: _____

EXHIBIT 10. MASTER PLAN COORDINATION (MP 5)

June 1, 1972

Mr. Henry Smith
City of Good Hope Airport Dept.
Airport Drive
Good Hope, California 90713

Grant Application Review
Aid to Airports - FAA/DOT
Master Plan of Good Hope Municipal Airport

Dear Mr. Smith:

In accordance with OMB Circular No. A-95, your project notification in the above matter was placed on our Clearinghouse listing and distributed to all the cities and counties in the SCAG region. We have not received any comments on your proposed project in response to this areawide notification.

This project was also submitted to the technical subcommittee of the Council of Airport Administrators which found that the project involves no change in airport status and that it is in conformance with the recommendations of the Ten County Airport Study which is currently underway.

The SCAG Staff Review Team suggests that environmental impact analysis be incorporated into this to facilitate the preparation of environmental impact statements on future projects.

Although we do not anticipate any further comments on this matter, the SCAG Executive Committee will be advised of these staff review comments at its next monthly meeting. Should the Executive Committee wish to comment further, we will forward them to you immediately.

All metropolitan clearinghouse comments must be submitted to the funding agency with your final application.

Sincerely,

Joe Doaks
Executive Director
Southern California Association
of Governments

EXHIBIT 11. SYSTEM PLAN COORDINATION (SP 5)

June 1, 1972

Mr. _____, Director
Department of Transportation
Highway Building
Capitol City, _____

Re: Statewide Aviation System Plan
Clearinghouse #71.0199

Dear Mr. _____:

This is to notify you that the state clearinghouse has officially completed the review of this program as required by OMB Circular A-95.

Your Notice of Intent was referred to the appropriate state agencies for review. All respondents indicated concurrence and approval.

We are pleased to add our approval and wish you every success.

A copy of this letter should accompany your application to the Federal agency. Comments of the appropriate local reviewing agency should also be included.

Sincerely,

Samuel Smith

EXHIBIT 12. MASTER PLAN SOURCES OF FUNDS (MP 8)SOURCE OF FUNDS

The following is a summary of the costs and sources of funds for the proposed long-range airport master plan.

OVERALL COST SUMMARY

Total cost of study	\$40,375
FAA portion	26,917
local portion	13,458

SOURCE OF FUNDS, LOCAL PORTION

Cash contributions	\$ 7,083
Force accounts	6,375

The source of funds for the local portion is the City of Good Hope. Documentation in the form of a resolution, number 72-97, is enclosed in MP 4.

EXHIBIT 13. SYSTEM PLAN SOURCES OF FUNDS (SP 8)

_____ AVIATION SYSTEM PLANNING GRANT APPLICATION

May 30, 1972

SP 8

Source of Funds

Local Share by Force Account

_____ State Board of Aeronautics
Capitol City, _____

_____ Department of Transportation
Capitol City, _____

EXHIBIT 14. MASTER PLAN FORCE ACCOUNT REQUEST (MP 9)

REQUEST FOR FORCE ACCOUNT

The City of Good Hope hereby requests the utilization of city staff for the performance of \$6,375 in services by force account for the preparation of the airport master plan. The specific staff support to be provided to the master plan program by city staff is defined by the Manpower Requirements and Costs of Program Summary included in Section MP 2 of this application. By reference to this summary, it may be noted that the major staff support effort is applied to general coordination, meetings, and hearings. Lesser efforts are applied to all other work elements as necessary to insure inclusion of considerations unique to the City of Good Hope in the development of the Good Hope Municipal Airport Master Plan.

It is considered that the inclusion of the sponsor's staff support as force account is essential to the development of a workable municipal airport master plan program. If it were possible for the force account to be obtained by means of a third party contract, the cost for this effort would have to be increased by at least 100 percent. The justification for force account for this project is based, therefore, on both requirements for unique knowledge and understanding, as well as economic considerations.

Since the sponsor's staff will be used to provide the force account support for this study, a "statement as to the sponsor's funds on hand to carry payrolls and other project costs until a partial grant payment may be received" is not required.

Administrative policies under force account have been established by the City of Good Hope under other federally assisted programs and will be effectively applied to this project.

Resumes of key force account personnel that will provide professional support to the proposed program are provided on subsequent pages with this section.

16 Feb 73

EXHIBIT 15. SYSTEM PLAN FORCE ACCOUNT REQUEST (SP 9)

(See AC 150/5000-3A
for appropriate FAA
office address)

Dear Mr. _____:

During the development of the _____ Aviation System Plan, Mr. _____ and Mr. _____ from the _____ State Board of Aeronautics (Sponsor) as well as Mr. _____, Mr. _____, Mrs. _____, and two yet unfilled research analyst positions of the _____ Department of Transportation (Sponsor) will be assisting in the planning endeavor. We are hereby requesting that the _____ State Board of Aeronautics and the Department of Transportation be allowed force account monies under the FAA program for their funding. In addition, other force account items are noted:

By: Mr. _____
Title: Director
Date: May 31, 1972

By: Mr. _____
Title: Acting Aeronautics Administrator
Date: May 31, 1972

Aviation System Plan
Force Account Request

Personnel

Mr. _____, full time	\$ 19,586
Mrs. _____, full time, Research Analyst III	17,176
Research Analyst II (DOT), full time	18,943
Research Analyst III (DOT), 32% time	7,021
Mr. _____, Transportation Planner (DOT), 20% time	6,172
Mr. _____, Planning Coordinator (DOT), 10% time	3,416
Mr. _____, Administrative Assistant (DOT), 5% time	1,708
Secretary (DOT/OSBA), 50% time	5,136
Mr. _____, Acting Administrator (OSBA), 15% time	<u>3,572</u>
	\$ 82,730

Travel

By car	\$ 2,406
By plane (Cessna 410 at 30 hours).	3,000
Food and lodging	<u>2,172</u>
	\$ 7,578

Materials and Printing

Materials	\$ 1,875
Printing	<u>1,000</u>
	\$ 2,875

Electronic Data Processing (direct billing at cost)

EDP	\$ 1,500
---------------	----------

Administrative Costs or Indirect Costs (per OMB Circular No. A-87)

11% of personnel costs	\$ 9,100
----------------------------------	----------

Design of Study

Man hours - 300 at \$10 per hour	\$ 3,000
Travel costs	<u>500</u>
	\$ 3,500
Total Force Account Request	<u>\$ 107,283</u>

EXHIBIT 16. MASTER PLAN GRANT AGREEMENT

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

PAGE 1 OF 6 PAGES

PLANNING GRANT AGREEMENT

PART I - OFFER

DATE OF OFFER 25 June 1972

TYPE OF PLANNING GRANT:

AIRPORT MASTER PLANNING FOR
Good Hope Municipal Airport
Good Hope, California

PROJECT NO. A-19-0009-02-72

CONTRACT NO. DOT-FA-72WE-6325

AIRPORT SYSTEM PLANNING FOR

TO: City of Good Hope, California

_____ (herein referred to as the "Sponsor")

FROM: The United States of America (acting through the Federal Aviation Administration, herein referred to as the "FAA").

WHEREAS, the Sponsor has submitted to the FAA, an Airport Master Planning Grant Application
(Master or System)
dated 1 June 1972 (herein called the "Planning Application"), for a grant of funds
for a project for the development for planning purposes of information and guidance to determine the extent, type, and
nature of development needed for Good Hope Municipal Airport, Good Hope, California
(airport area name and/or location)

(herein called the Airport *)*, which Planning Application as
(airport or area)
approved by the FAA is hereby incorporated herein and made a part hereof; and WHEREAS, the FAA has approved a project
for the development of plans for the Airport (herein called the "Planning Project") consisting
(airport or area)
of the following approved airport Master planning:
(master or system)

Prepare a master plan study to determine airport requirements, prepare
airport plans, and formulate financial plans for airport development.

BEFORE, pursuant to and for the purpose of carrying out the provisions of the Airport and Airway Development Act, as amended, and in consideration of (a) the Sponsor's adoption and ratification of the representations and warranties contained in said Planning Application, and its acceptance of this Offer, as hereinafter provided, and (b) the benefits to be accrued to the United States and the public from the accomplishment of the airport Master
(master or system)

included in the Planning Application, THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States share 66-2/3 of the allowable costs incurred in accomplishing the Planning Project, subject to the following terms and conditions:

The maximum obligation of the United States payable under this Offer shall be \$ 26,017.

The FAA, for and on behalf of the United States, may by written notice terminate or suspend this grant in whole or in part, or withhold payment, in the event that it finds that the Sponsor has:

- 1. Failed to comply with Federal law or with any of the terms and conditions contained in this Planning Grant Agreement;
- 2. Failed to carry out the Planning Project as approved;
- 3. Made unauthorized or improper use of grant funds;
- 4. Submitted any application, report, or other document which contains a misrepresentation of a material nature or is incorrect or incomplete in any material respect; or,
- 5. If for any reason continuation of the approved Planning Project is rendered impossible, ineligible, or illegal.

The Sponsor shall take such action relative to termination or suspension as may be required by the FAA in the notice of termination or suspension. In such case termination or suspension shall not affect any otherwise valid and allowable obligations made in good faith prior to receipt of notice of termination or suspension.

The Sponsor shall:

- a. Begin accomplishment of the Planning Project within Thirty (30) days after acceptance of this Offer, with failure to do so constituting just cause for termination of the obligations of the United States hereunder by the FAA;
- b. Carry out and complete the Planning Project without undue delay and in accordance with the terms hereof, the Airport and Airway Development Act of 1970, and ~~§§ 155.101-155.109 of the~~ Regulations of the Federal Aviation Administration (~~§§ 155.101-155.109~~) in effect as of the date of acceptance of this Offer; which Regulations are hereinafter referred to as the "Regulations";
- c. Carry out and complete all planning work in accordance with the Description of Work Program, incorporated herein, or as it may be revised or modified with the approval of the FAA and in accordance with design standards and planning criteria established by the FAA;

4. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under ~~XXXXXXXXXXXXXXXXXXXX~~ the Regulations.
5. Payment of the United States share of the allowable project costs will be made pursuant to and in accordance with the provisions of ~~XXXXXXXXXXXXXXXXXXXX~~ the Regulations. Final determination as to the allowability of the costs of the project will be made at the time of the final grant payment pursuant to ~~XXXXXXXXXXXXXXXXXXXX~~ of the Regulations and final reimbursement will be made after final review, audit, and acceptance by FAA of the completed Planning Project and after all conditions relating to the Planning Project have been satisfied.
6. The FAA reserves the right to amend or withdraw this Offer at any time prior to its acceptance by the Sponsor.
7. This Offer shall expire and the United States shall not be obligated to pay any part of the costs of the Planning Project unless this Offer has been accepted by the Sponsor on or before 13 March 1972 or such subsequent date as may be prescribed in writing by the FAA.
8. All financial records pertaining to the Planning Project shall be made available to authorized representatives of the FAA and the Comptroller General of the United States in conformity to ~~XXXXXXXXXXXXXXXXXXXX~~ of the Regulations.
9. The Sponsor will, at such times and in such manner as the FAA may require, furnish FAA with periodic reports and statements pertaining to the Planning Project and planning work activities and other related matters covered hereunder.
10. Sponsors shall submit for FAA approval prior to their execution all private party or public body contracts to do all or any part of the Planning Project. These contracts shall include applicable terms and conditions as specified by the FAA.
11. The FAA reserves the right to disapprove the Sponsor's employment of specific consultants and their subcontractors to do all or any part of the Planning Project and further reserves the right to disapprove the proposed scope and cost of the professional services.
12. The FAA reserves the right to disapprove the use of professional level employees of the Sponsor when such employees are designated by the Sponsor to do all or part of the Planning Project.
13. All published material such as reports, maps, and other documents prepared in connection with the Planning Project and planning work activities shall contain a standard notice that the material was prepared under an Airport Master Planning Grant provided by FAA. The Sponsor shall make these documents available *(Master or System)* for examination by the public.

In addition, no material prepared in connection with the Planning Project and planning work activities shall be subject to copyright in the United States or in any other country. The FAA shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data, or other materials prepared with Airport Planning Grant funds.

14. The Sponsor agrees to conduct the Planning Project in compliance with all the requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and by Part 21 of the Regulations of the Office of the Secretary of Transportation, as amended.

PAGE 4 OF 6 PAGES

The Sponsor agrees that neither the approval of the Planning Application nor the tender of this Offer nor the approval of the final airport Master planning report constitutes an assurance or commitment,

(master or system)

express or implied, by the FAA, that any airport development or unit thereof shown in the planning developed as part of this Planning Application will be approved for inclusion in any pending or future Airport and Airway development Program under the Airport and Airway Development Act of 1970.

The Sponsor further agrees to complete all of the National Airport System Plan (NASP) forms for each National interest airport and/or location included in the planning project in accordance to FAA criteria.

It is also understood and agreed by the Sponsor that the forecasting necessary to update the "Good Hope Municipal Airport Master Plan," dated December 1970, will be accomplished in accordance with the guidance in FAA Planning Grant Program Handbook (FAA Order 5900.1) and DOT, FAA Advisory Circular 150/5070-6 (Airport Master Plans) and made a part of the study under this Grant.

The Sponsor's acceptance of this Offer and ratification and adoption of the Planning Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and said Offer and Acceptance shall comprise an Airport Master Planning Grant Agreement, as provided
(Master or System)

the Airport and Airway Development Act of 1970, constituting the obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Planning Project. Such Airport Master
(Master or System)

Planning Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

BY Mr.
(Title) Chief, Airport
District Office

PART II - ACCEPTANCE

The City of Good Hope, California

_____ (herein referred to as the "Sponsor") does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the Airport _____
(Master or System)

Planning Grant Application and incorporated materials referred to in the foregoing Offer and does hereby accept said Offer and by such acceptance agrees to all of the terms and conditions thereof.

Executed in its name by its undersigned officer on this 25th day of June, 19 72
in _____, County of _____
State of _____

(SEAL)

City of Good Hope, California
(LEGAL NAME OF SPONSOR/COSPONSOR)

BY John Doe
(SIGNATURE OF AUTHORIZED OFFICER)

Attest: Don Brown

City Manager
(TITLE OF AUTHORIZED OFFICER)

Title: City Clerk

Executed in its name by its undersigned officer on this _____ day of _____, 19 _____
in _____, County of _____
State of _____

(SEAL)

(LEGAL NAME OF COSPONSOR)

BY _____
(SIGNATURE OF AUTHORIZED OFFICER)

Attest: _____

(TITLE OF AUTHORIZED OFFICER)

Title: _____

Executed in its name by its undersigned officer on this _____ day of _____, 19_____,
in _____, County of _____,
State of _____.

(SEAL)

(LEGAL NAME OF COSPONSOR)

BY _____
(SIGNATURE OF AUTHORIZED OFFICER)

Attest: _____

Title: _____

(TITLE OF AUTHORIZED OFFICER)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, William West, acting as Attorney for City of Good Hope,
California
_____ (herein referred to as the "Sponsor") do

hereby certify:

That I have examined the foregoing airport Master Planning Grant Agreement and the
(Master or System)
proceedings taken by said Sponsor relating thereto, and find that the Acceptance thereof by said Sponsor has been duly
authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the State(s)
of California, and further that, in my opinion,
said airport Master Planning Grant Agreement
(Master or System)
constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Good Hope, California this 29th day of June 19 72.

William West
(Signature)

City Attorney
(Title)

EXHIBIT 17. SYSTEM PLAN GRANT AGREEMENT

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

PAGE 1 OF 6 PAGES

PLANNING GRANT AGREEMENT

PART I - OFFER

DATE OF OFFER 22 June 1972

TYPE OF PLANNING GRANT:

AIRPORT MASTER PLANNING FOR

PROJECT NO. S-41-039-09

CONTRACT NO. DOT-FA72NW-3933

AIRPORT SYSTEM PLANNING FOR
The State of

TO: State of, acting by and through the State Board of Aeronautics
and the Department of Transportation
_____ (herein referred to as the "Sponsor")

FROM: The United States of America (acting through the Federal Aviation Administration, herein referred to as the "FAA").

WHEREAS, the Sponsor has submitted to the FAA, an Airport System Planning Grant Application
(Master or System)
dated 31 May 1972 (herein called the "Planning Application"), for a grant of funds
for a project for the development for planning purposes of information and guidance to determine the extent, type, and
nature of development needed for the State of
(airport area name and/or location)

_____ (herein called the area), which Planning Application as
(airport or area)
approved by the FAA is hereby incorporated herein and made a part hereof; and WHEREAS, the FAA has approved a project
for the development of plans for the area (herein called the "Planning Project") consisting
(airport or area)
of the following approved airport System planning:
(master or system)

Preparation of an Airports System Plan for the State of

NOW THEREFORE, pursuant to and for the purpose of carrying out the provisions of the Airport and Airway Development Act of 1970, as amended, and in consideration of (a) the Sponsor's adoption and ratification of the representations and assurances contained in said Planning Application, and its acceptance of this Offer, as hereinafter provided, and (b) the benefits to accrue to the United States and the public from the accomplishment of the airport System
(master or system)

planning included in the Planning Application, THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States share 66-2/3 percent of the allowable costs incurred in accomplishing the Planning Project, subject to the following terms and conditions:

1. The maximum obligation of the United States payable under this Offer shall be \$ 183,960.00.
2. The FAA, for and on behalf of the United States, may by written notice terminate or suspend this grant in whole or in part, or withhold payment, in the event that it finds that the Sponsor has:
 - a. Failed to comply with Federal law or with any of the terms and conditions contained in this Planning Grant Agreement;
 - b. Failed to carry out the Planning Project as approved;
 - c. Made unauthorized or improper use of grant funds;
 - d. Submitted any application, report, or other document which contains a misrepresentation of a material nature or is incorrect or incomplete in any material respect; or,
 - e. If for any reason continuation of the approved Planning Project is rendered impossible, ineligible, or illegal.

The Sponsor shall take such action relative to termination or suspension as may be required by the FAA in the notice of termination or suspension. In such case termination or suspension shall not affect any otherwise valid and allowable obligations made in good faith prior to receipt of notice of termination or suspension.

3. The Sponsor shall:
 - a. Begin accomplishment of the Planning Project within Sixty (60) days after acceptance of this Offer, with failure to do so constituting just cause for termination of the obligations of the United States hereunder by the FAA;
 - b. Carry out and complete the Planning Project without undue delay and in accordance with the terms hereof, the Airport and Airway Development Act of 1970, and ~~36 CFR XXXXXXXXXXXXXXXXXXXX~~ the Regulations of the Federal Aviation Administration (~~XXXXXXXXXXXXXXXXXXXX~~) in effect as of the date of acceptance of this Offer; which Regulations are hereinafter referred to as the "Regulations";
 - c. Carry out and complete all planning work in accordance with the Description of Work Program, incorporated herein, or as it may be revised or modified with the approval of the FAA and in accordance with design standards and planning criteria established by the FAA;

4. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under ~~SECTION XXXXXXXXXXXXXXXX~~ the Regulations.
5. Payment of the United States share of the allowable project costs will be made pursuant to and in accordance with the provisions of ~~SECTION XXXXXXXXXXXXXXXX~~ the Regulations. Final determination as to the allowability of the costs of the project will be made at the time of the final grant payment pursuant to ~~SECTION XXXXXXXXXXXXXXXX~~ of the Regulations and final reimbursement will be made after final review, audit, and acceptance by FAA of the completed Planning Project and after all conditions relating to the Planning Project have been satisfied.
6. The FAA reserves the right to amend or withdraw this Offer at any time prior to its acceptance by the Sponsor.
7. This Offer shall expire and the United States shall not be obligated to pay any part of the costs of the Planning Project unless this Offer has been accepted by the Sponsor on or before 30 June 1972 or such subsequent date as may be prescribed in writing by the FAA.
8. All financial records pertaining to the Planning Project shall be made available to authorized representatives of the FAA and the Comptroller General of the United States in conformity to ~~SECTION XXXXXXXXXXXXXXXX~~ of the Regulations.
9. The Sponsor will, at such times and in such manner as the FAA may require, furnish FAA with periodic reports and statements pertaining to the Planning Project and planning work activities and other related matters covered hereunder.
10. Sponsors shall submit for FAA approval prior to their execution all private party or public body contracts to do all or any part of the Planning Project. These contracts shall include applicable terms and conditions as specified by the FAA.
11. The FAA reserves the right to disapprove the Sponsor's employment of specific consultants and their subcontractors to do all or any part of the Planning Project and further reserves the right to disapprove the proposed scope and cost of the professional services.
12. The FAA reserves the right to disapprove the use of professional level employees of the Sponsor when such employees are designated by the Sponsor to do all or part of the Planning Project.
13. All published material such as reports, maps, and other documents prepared in connection with the Planning Project and planning work activities shall contain a standard notice that the material was prepared under an Airport System Planning Grant provided by FAA. The Sponsor shall make these documents available *(Master or System)* for examination by the public.

In addition, no material prepared in connection with the Planning Project and planning work activities shall be subject to copyright in the United States or in any other country. The FAA shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data, or other materials prepared with Airport Planning Grant funds.

14. The Sponsor agrees to conduct the Planning Project in compliance with all the requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and by Part 21 of the Regulations of the Office of the Secretary of Transportation, as amended.

15. The Sponsor agrees that neither the approval of the Planning Application nor the tender of this Offer nor the approval of the final airport System planning report constitutes an assurance or commitment, *(master or system)* express or implied, by the FAA, that any airport development or unit thereof shown in the planning developed as part of this Planning Application will be approved for inclusion in any pending or future Airport and Airway development Program under the Airport and Airway Development Act of 1970.
16. It is understood and agreed that the references herein to the Federal Aviation Administration Regulations shall mean the Federal Aviation Administration Regulations in effect as of the date of acceptance of this Offer or as later promulgated, including, but not limited to, Part 152 (14 C.F.R. 152).

The Sponsor's acceptance of this Offer and ratification and adoption of the Planning Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and said Offer and Acceptance shall comprise an Airport System Planning Grant Agreement, as provided by
(Master or System)

the Airport and Airway Development Act of 1970, constituting the obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Planning Project. Such Airport System
(Master or System)

Planning Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

BY Mr.
(Title) Chief, Airports
Division, Northwest
Region

PART II - ACCEPTANCE

The State of, acting by and through the State Board of
Aeronautics and the Department of Transportation
(herein referred to as the "Sponsor") does hereby ratify and adopt
all statements, representations, warranties, covenants, and agreements contained in the Airport System
(Master or System)

Planning Grant Application and incorporated materials referred to in the foregoing Offer and does hereby accept said Offer and by such acceptance agrees to all of the terms and conditions thereof.

Executed in its name by its undersigned officer on this _____ day of _____, 19 72,
in _____, County of _____,
State of _____.

(SEAL)

State Board of Aeronautics
(LEGAL NAME OF SPONSOR/COSPONSOR)

BY _____
(SIGNATURE OF AUTHORIZED OFFICER)

Attest: _____

(TITLE OF AUTHORIZED OFFICER)

Title: _____

Executed in its name by its undersigned officer on this _____ day of _____, 19 72,
in _____, County of _____,
State of _____.

(SEAL)

Department of Transportation
(LEGAL NAME OF COSPONSOR)

BY _____
(SIGNATURE OF AUTHORIZED OFFICER)

Attest: _____

(TITLE OF AUTHORIZED OFFICER)

Title: _____

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the State of
acting by and through the State Board of Aeronautics and the
Department of Transportation (herein referred to as the "Sponsor") do

hereby certify:

That I have examined the foregoing airport System Planning Grant Agreement and the
(Master or System)
proceedings taken by said Sponsor relating thereto, and find that the Acceptance thereof by said Sponsor has been duly
authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the State(s)
of _____, and further that, in my opinion,
said airport System Planning Grant Agreement
(Master or System)
constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at _____ this _____ day of _____, 19_____.

(Signature)

(Title)

EXHIBIT 18. APPLICATION AND VOUCHER FOR PLANNING GRANT PAYMENT

Form Approved. OMB No. 04- R0193

DEPARTMENT OF TRANSPORTATION — FEDERAL AVIATION ADMINISTRATION APPLICATION AND VOUCHER FOR PLANNING GRANT PAYMENT <i>Type or print data requested. See instructions on reverse before completing form.</i>				1. PROJECT NO. ASSIGNED BY FAA	
2. NAME OF SPONSOR		3. ADDRESS		4. APPLICATION NO. (Consecutive No. assigned by sponsor)	
5. NAME OF AIRPORT OR PLANNING AREA		6. LOCATION		7. DATE OF APPLICATION	
8. (Check one) <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	9. PERCENT COMPLETION %	10. GRANT AGREEMENT CONTRACT NO. (Assigned by FAA)	11. MAXIMUM AMOUNT OF GRANT (From Grant Agreement or Amendment) \$		
12. COMPUTATION FOR GRANT PAYMENT - In accordance with the provisions of the Grant Agreement on this project, the sponsor hereby applies for a grant payment as follows:					
PROJECT WORK ELEMENTS (A)	TOTAL ESTIMATED COST (B)	INCURRED COST TO DATE (C)	ESTIMATED FEDERAL SHARE OF COSTS		
			PERCENT (D)	AMOUNT (E)	
TOTALS	\$	\$	\$		
TOTAL AMOUNT OF GRANT PAYMENTS PREVIOUSLY RECEIVED			\$		
AMOUNT OF THIS APPLICATION			\$		
13. CERTIFICATION OF SPONSOR					
I CERTIFY that the above application for grant payment is correct and just, and for a payment which has not been received. I FURTHER CERTIFY that the amounts shown as actual costs incurred to date are true and correct and supported by my records and work done to date is in accordance with the approved project scope and the provisions of the Grant Agreement.					
A. SIGNATURE		B. TITLE		C. DATE	
FOR FAA USE ONLY					
14. AMOUNT DEDUCTED			\$		
15. AMOUNT APPROVED FOR PAYMENT			\$		
16. CERTIFICATION OF AUTHORIZED FAA OFFICIAL			17. CERTIFIED CORRECT AND PROPER FOR PAYMENT		
I HEREBY CERTIFY that the sponsor's estimates have been reviewed by me and in my opinion are reasonable and proper. To the extent that this application represents costs which have been incurred for planning already accomplished, I HEREBY CERTIFY that the work has been inspected under my direction at reasonably frequent intervals by qualified employees of the Federal Aviation Administration; that through such inspections, and by other means and checks recognized as good planning and engineering practice, I am satisfied that the work accomplished is in accordance with provisions of the Grant Agreement; and that the value of work performed as claimed above is supported in detail by summary of project costs approved by the sponsor. Subject to actual verification of all stated costs by Federal Aviation Administration audit prior to the payment of final grant, I recommend payment of this application for grant funds in the amount of \$			DATE _____ AUTHORIZED CERTIFYING OFFICER _____		
			ACCOUNTING CLASSIFICATION _____		
A. DATE	B. SIGNATURE	C. TITLE	18. SCHEDULE NO.		

INSTRUCTIONS

This form is to be used in making any application for planning grant payment

ITEMS 1 THROUGH 11 - Self Explanatory.

ITEM 12 - COMPUTATION FOR GRANT PAYMENT

Col. A - Project Work Elements

Col. B - Enter the amount of the total estimated cost for each work element as documented on Application for Master (System) Planning Grant, FAA Form 5910-1 (FAA Form 5920-1).

Col. C - Enter for each work element the total cost incurred to date.

Col. D - Enter the Federal percentage share of allowable project costs for each work element.

Col. E - Enter the amount of the Federal share of the amounts shown in Col. (C).

Total Amount of Grant Payments Previously Received - Enter the cumulative amount of all previous Grant Payments that have been received. If payment has not been received for an application that has been filed, consult with the FAA field office to determine amounts to be included in the cumulative total.

Amount of This Application - Enter the amount of Grant Payment requested in this application; this will be computed by subtracting total amount of grant payments previously received from totals.

ITEMS 13A, B, AND C - Enter on each copy submitted, the signature of the sponsor's representative executing the form, his title, and the date signed.

ITEMS 14, 15, 16, 17 AND 18 - To be completed by FAA.

EXHIBIT 19. SUMMARY OF PLANNING PROJECT COSTS

Form Approved. OMB No. 04-R0192

DEPARTMENT OF TRANSPORTATION — FEDERAL AVIATION ADMINISTRATION SUMMARY OF PLANNING PROJECT COSTS <i>Type or print data requested. Read instructions on reverse before completing form.</i>		1. PROJECT NO.	
3. NAME OF SPONSOR		4. ADDRESS	
6. OFFICIAL NAME OF AIRPORT OR PLANNING AREA		7. LOCATION	
		5. PERIOD ENDING	
		8. MAXIMUM FEDERAL FUNDS \$	
9. COMPUTATION OF COSTS INCURRED TO DATE			
PROJECT WORK ELEMENTS (A)	TOTAL ESTIMATED COST (B) <i>(Asterisk if amended)</i>	COST INCURRED TO DATE	
		PER- CENT (C)	AMOUNT (D)
10. CERTIFICATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE			
I CERTIFY that the amounts shown as actual costs incurred to date are true and correct and are supported by my records. I FURTHER CERTIFY that work done to date is in accordance with the approved project scope and the provisions of the grant agreement.			
A. DATE	B. TITLE	C. SIGNATURE	

FAA Form 5900-3 (1-71)

INSTRUCTIONS

This form is to be submitted with and in support of an Application and Voucher for Planning Grant Payment when cost breakdown of elements is warranted (e.g., project with numerous subelements or force account contract subelements, etc.).

The original and two copies of this form are to be submitted to the FAA Field Office. If more space is required, use additional copies of this form.

ITEM 1

and 2 - Enter the project and contract numbers as indicated on page 1 of the Grant Agreement.

ITEM 3

and 4 - Self-explanatory.

ITEM 5 - Enter the closing date of the period for which payment is requested.

ITEM 6

and 7 - Self-explanatory.

ITEM 8 - Enter maximum amount of Federal funds as specified in the Grant Agreement or amendments thereto.

ITEM 9 - COMPUTATION OF COSTS INCURRED TO DATE

Col. A - Items composing the cost of the project will be listed under the classifications of project work elements as listed in the planning grant application.

Col. B - Total estimated cost of each item will be shown. If estimated costs are revised by amendment, asterisk costs.

Col. C - The percentage of costs incurred to date for each item or the percentage of work accomplished.

Col. D - The cost of each item or the portion of such cost, which has been incurred. The FAA may request documents as a proof that the portions of project elements have actually been completed. The amount will be computed by multiplying percent (Col. C) with total estimated cost (Col. B).

NOTE - Immediately following the itemization in Cols. B and D show a total for each project work element. Show a grant total for all classifications at the end of the form.

ITEMS 10 A, B & C - Self-explanatory.

GPO 904-223

APPENDIX 2. OFFICE OF MANAGEMENT AND BUDGET
CIRCULAR NO. A-87

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

June 17, 1970

CIRCULAR NO. A-87
Transmittal Memorandum No. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Principles for determining costs applicable to grants and
contracts with State and local governments

1. Purpose. This Transmittal Memorandum amends section J of Attachment A to Bureau of the Budget Circular No. A-87 dated May 9, 1968. It clarifies and expands on the assignments of responsibility for the negotiation, approval and audit of State and local government cost allocation plans.

2. Amendments. Section J.3. of Attachment A dated May 9, 1968, is rescinded and is replaced by the following sections, J.3. through J.6.:

"3. Instructions for preparation of cost allocation plans. The Department of Health, Education, and Welfare, in consultation with the other Federal agencies concerned, will be responsible for developing and issuing the instructions for use by State and local government grantees in preparation of cost allocation plans. This responsibility applies to both central support services at the State and local government level as well as indirect cost proposals of individual grantee departments.

"4. Negotiation and approval of indirect cost proposals for States.

a. The Department of Health, Education, and Welfare, in collaboration with the other Federal agencies concerned, will be responsible for negotiation, approval and audit of cost allocation plans, which will be submitted to it by the States. These plans will cover central support service costs of the State.

b. At the grantee department level in a State, a single Federal agency will have responsibility similar to that set forth in a. above for the negotiation, approval and audit of the indirect cost proposal. Cognizant Federal agencies have been designated for this purpose. Changes which may be required from time to time in agency assignments will be arranged by the Department of Health, Education, and Welfare in collaboration with the other interested agencies, and submitted to the Bureau of the Budget for final approval. A current list of agency assignments will be maintained by the Department of Health, Education, and Welfare.

c. Questions concerning the cost allocation plans approved under a. and b. above should be directed to the agency responsible for such approvals.

"5. Negotiation and approval of indirect cost proposals for local governments.

a. Cost allocation plans will be retained at the local government level for audit by a designated Federal agency except in those cases where that agency requests that cost allocation plans be submitted to it for negotiation and approval.

b. A list of cognizant Federal agencies assigned responsibility for negotiation, approval and audit of central support service cost allocation plans at the local government level is being developed. Changes which may be required from time to time in agency assignments will be arranged by the Department of Health, Education, and Welfare in collaboration with the other interested agencies, and submitted to the Bureau of the Budget for final approval. A current list of agency assignments will be maintained by the Department of Health, Education, and Welfare.

c. At the grantee department level of local governments, the Federal agency with the predominant interest in the work of the grantee department will be responsible for necessary negotiation, approval and audit of the indirect cost proposal.

"6. Resolution of problems. To the extent that problems are encountered among the Federal agencies in connection with 4. and 5. above, the Bureau of the Budget will lend assistance as required."

7. Effective date. This Transmittal Memorandum is effective immediately.

ROBERT P. MAYO
Director

(No. A-87)

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

May 9, 1968

CIRCULAR NO. A-87

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Principles for determining costs applicable to grants and contracts with State and local governments

1. Purpose. This Circular promulgates principles and standards for determining costs applicable to grants and contracts with State and local governments. They are designed to provide the basis for a uniform approach to the problem of determining costs and to promote efficiency and better relationships between grantees and their Federal counterparts.
2. Coverage. This Circular applies to all Federal agencies responsible for administering programs that involve grants and contracts with State and local governments. However, it does not apply to grants and contracts with (a) publicly financed educational institutions subject to Bureau of the Budget Circular No. A-21, and (b) publicly owned hospitals and other providers of medical care subject to requirements promulgated by the sponsoring Federal agencies. Any other exceptions will be approved by the Bureau of the Budget in particular cases where adequate justification is presented.
3. Cost principles. The principles to be followed in determining costs are set forth in Attachment A. Standards with respect to the allowability of selected items of cost are set forth in Attachment B.
4. Effective date. The principles will be applied at the earliest practicable date but not later than January 1, 1969, with respect to State governments and January 1, 1970, with respect to local governments. This arrangement will permit prompt implementation in programs where that is possible, but also allow time for study and development of necessary procedures in more complex programs.

PHILLIP S. HUGHES
Acting Director

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ATTACHMENT A
Circular No. A-87

PRINCIPLES FOR DETERMINING
COSTS APPLICABLE TO GRANTS AND CONTRACTS
WITH STATE AND LOCAL GOVERNMENTS

A. Purpose and scope.

1. Objectives. This Attachment sets forth principles for determining the allowable costs of programs administered by State and local governments under grants from and contracts with the Federal Government. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal and State or local participation in the financing of a particular grant. They are designed to provide that federally assisted programs bear their fair share of costs recognized under these principles, except where restricted or prohibited by law. No provision for profit or other increment above cost is intended.

2. Policy guides. The application of these principles is based on the fundamental premises that:

a. State and local governments are responsible for the efficient and effective administration of grant and contract programs through the application of sound management practices.

b. The grantee or contractor assumes the responsibility for seeing that federally assisted program funds have been expended and accounted for consistent with underlying agreements and program objectives.

c. Each grantee or contractor organization, in recognition of its own unique combination of staff facilities and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration.

3. Application. These principles will be applied by all Federal agencies in determining costs incurred by State and local governments under Federal grants and cost reimbursement type contracts (including subgrants and subcontracts) except those with (a) publicly financed educational institutions subject to Bureau of the Budget Circular A-21, and (b) publicly owned hospitals and other providers of medical care subject to requirements promulgated by the sponsoring Federal agencies.

B. Definitions.

1. Approval or authorization of the grantor Federal agency means documentation evidencing consent prior to incurring specific cost.

2. Cost allocation plan means the documentation identifying, accumulating, and distributing allowable costs under grants and contracts together with the allocation methods used.

3. Cost, as used herein, means cost as determined on a cash, accrual, or other basis acceptable to the Federal grantor agency as a discharge of the grantee's accountability for Federal funds.

4. Cost objective means a pool, center, or area established for the accumulation of cost. Such areas include organizational units, functions, objects or items of expense, as well as ultimate cost objectives including specific grants, projects, contracts, and other activities.

5. Federal agency means any department, agency, commission, or instrumentality in the executive branch of the Federal Government which makes grants to or contracts with State or local governments.

6. Grant means an agreement between the Federal Government and a State or local government whereby the Federal Government provides funds or aid in kind to carry out specified programs, services, or activities. The principles and policies stated in this Circular as applicable to grants in general also apply to any federally sponsored cost reimbursement type of agreement performed by a State or local government, including contracts, subcontracts and subgrants.

7. Grant program means those activities and operations of the grantee which are necessary to carry out the purposes of the grant, including any portion of the program financed by the grantee.

8. Grantee means the department or agency of State or local government which is responsible for administration of the grant.

9. Local unit means any political subdivision of government below the State level.

10. Other State or local agencies means departments or agencies of the State or local unit which provide goods, facilities, and services to a grantee.

11. Services, as used herein, means goods and facilities, as well as services.

12. Supporting services means auxiliary functions necessary to sustain the direct effort involved in administering a grant program or an activity providing service to the grant program. These services may be centralized in the grantee department or in some other agency, and include procurement, payroll, personnel functions, maintenance and operation of space, data processing, accounting, budgeting, auditing, mail and messenger service, and the like.

C. Basic guidelines.

1. Factors affecting allowability of costs. To be allowable under a grant program, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient administration of the grant program, be allocable thereto under these principles, and, except as specifically provided herein, not be a general expense required to carry out the overall responsibilities of State or local governments.

b. Be authorized or not prohibited under State or local laws or regulations.

c. Conform to any limitations or exclusions set forth in these principles, Federal laws, or other governing limitations as to types or amounts of cost items.

d. Be consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of the unit of government of which the grantee is a part.

e. Be accorded consistent treatment through application of generally accepted accounting principles appropriate to the circumstances.

f. Not be allocable to or included as a cost of any other federally financed program in either the current or a prior period.

g. Be net of all applicable credits.

2. Allocable costs.

a. A cost is allocable to a particular cost objective to the extent of benefits received by such objective.

b. Any cost allocable to a particular grant or cost objective under the principles provided for in this Circular may not be shifted to other Federal grant programs to overcome fund deficiencies, avoid restrictions imposed by law or grant agreements, or for other reasons.

c. Where an allocation of joint cost will ultimately result in charges to a grant program, an allocation plan will be required as prescribed in section J.

3. Applicable credits.

a. Applicable credits refer to those receipts or reduction of expenditure-type transactions which offset or reduce expense items allocable to grants as direct or indirect costs. Examples of such transactions are:

purchase discounts; rebates or allowances; recoveries or indemnities on losses; sale of publications, equipment, and scrap; income from personal or incidental services; and adjustments of overpayments or erroneous charges.

b. Applicable credits may also arise when Federal funds are received or are available from sources other than the grant program involved to finance operations or capital items of the grantee. This includes costs arising from the use or depreciation of items donated or financed by the Federal Government to fulfill matching requirements under another grant program. These types of credits should likewise be used to reduce related expenditures in determining the rates or amounts applicable to a given grant.

D. Composition of cost.

1. Total cost. The total cost of a grant program is comprised of the allowable direct cost incident to its performance, plus its allocable portion of allowable indirect costs, less applicable credits.

2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the grant or other ultimate cost objective. It is essential therefore that each item of cost be treated consistently either as a direct or an indirect cost. Specific guides for determining direct and indirect costs allocable under grant programs are provided in the sections which follow.

E. Direct costs.

1. General. Direct costs are those that can be identified specifically with a particular cost objective. These costs may be charged directly to grants, contracts, or to other programs against which costs are finally lodged. Direct costs may also be charged to cost objectives used for the accumulation of costs pending distribution in due course to grants and other ultimate cost objectives.

2. Application. Typical direct costs chargeable to grant programs are:

a. Compensation of employees for the time and effort devoted specifically to the execution of grant programs.

b. Cost of materials acquired, consumed, or expended specifically for the purpose of the grant.

c. Equipment and other approved capital expenditures.

d. Other items of expense incurred specifically to carry out the grant agreement.

e. Services furnished specifically for the grant program by other agencies, provided such charges are consistent with criteria outlined in Section G. of these principles.

F. Indirect costs.

1. General. Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities, to the grantee department. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect cost within a grantee department or in other agencies providing services to a grantee department. Indirect cost pools should be distributed to benefiting cost objectives on bases which will produce an equitable result in consideration of relative benefits derived.

2. Grantee departmental indirect costs. All grantee departmental indirect costs, including the various levels of supervision, are eligible for allocation to grant programs provided they meet the conditions set forth in this Circular. In lieu of determining the actual amount of grantee departmental indirect cost allocable to a grant program, the following methods may be used:

a. Predetermined fixed rates for indirect costs. A predetermined fixed rate for computing indirect costs applicable to a grant may be negotiated annually in situations where the cost experience and other pertinent facts available are deemed sufficient to enable the contracting parties to reach an informed judgment (1) as to the probable level of indirect costs in the grantee department during the period to be covered by the negotiated rate, and (2) that the amount allowable under the predetermined rate would not exceed actual indirect cost.

b. Negotiated lump sum for overhead. A negotiated fixed amount in lieu of indirect costs may be appropriate under circumstances where the benefits derived from a grantee department's indirect services cannot be readily determined as in the case of small, self-contained or isolated activity. When this method is used, a determination should be made that the amount negotiated will be approximately the same as the actual indirect cost that may be incurred. Such amounts negotiated in lieu of indirect costs will be treated as an offset to total indirect expenses of the grantee department before allocation to remaining activities. The base on which such remaining expenses are allocated should be appropriately adjusted.

3. Limitation on indirect costs.

a. Federal grants may be subject to laws that limit the amount of indirect cost that may be allowed. Agencies that sponsor grants of this type will establish procedures which will assure that the amount actually allowed for indirect costs under each such grant does not exceed the maximum allowable under the statutory limitation or the amount otherwise allowable under this Circular, whichever is the smaller.

b. When the amount allowable under a statutory limitation is less than the amount otherwise allocable as indirect costs under this Circular, the amount not recoverable as indirect costs under a grant may not be shifted to another federally sponsored grant program or contract.

G. Cost incurred by agencies other than the grantee.

1. General. The cost of service provided by other agencies may only include allowable direct costs of the service plus a prorata share of allowable supporting costs (section B.12.) and supervision directly required in performing the service, but not supervision of a general nature such as that provided by the head of a department and his staff assistants not directly involved in operations. However, supervision by the head of a department or agency whose sole function is providing the service furnished would be an eligible cost. Supporting costs include those furnished by other units of the supplying department or by other agencies.

2. Alternative methods of determining indirect cost. In lieu of determining actual indirect cost related to a particular service furnished by another agency, either of the following alternative methods may be used provided only one method is used for a specific service during the fiscal year involved.

a. Standard indirect rate. An amount equal to ten percent of direct labor cost in providing the service performed by another State agency (excluding overtime, shift, or holiday premiums and fringe benefits) may be allowed in lieu of actual allowable indirect cost for that service.

b. Predetermined fixed rate. A predetermined fixed rate for indirect cost of the unit or activity providing service may be negotiated as set forth in section F.2.a.

H. Cost incurred by grantee department for others.

1. General. The principles provided in section G. will also be used in determining the cost of services provided by the grantee department to another agency.

J. Cost allocation plan.

1. General. A plan for allocation of costs will be required to support the distribution of any joint costs related to the grant program. All costs

included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual charges.

2. Requirements. The allocation plan of the grantee department should cover all joint costs of the department as well as costs to be allocated under plans of other agencies or organizational units which are to be included in the costs of federally sponsored programs. The cost allocation plans of all the agencies rendering services to the grantee department, to the extent feasible, should be presented in a single document. The allocation plan should contain, but not necessarily be limited to, the following:

- a. The nature and extent of services provided and their relevance to the federally sponsored programs.
- b. The items of expense to be included.
- c. The methods to be used in distributing cost.

3. Approval of cost allocation plan. The allocation plan for a given cost area or objective will serve all the Federal agencies involved.

a. At the State level, the Department of Health, Education, and Welfare will be responsible for the negotiation and approval of the cost allocation plans for central support services to grant programs. The approved plans will be accepted by other Federal agencies, unless an agency determines that the approved plan would result in significant inequitable or improper charges to programs for which it is responsible. The Department of Health, Education, and Welfare will collaborate with the other Federal agencies concerned in the development of guidance material concerning the cost allocation plan and in the negotiation and approval of the plan. It will also collaborate with the States concerning procedures for the administration of the cost allocation plan. The Department of Health, Education, and Welfare will be responsible for the audit of costs resulting from the cost allocation plan, the results of which will be accepted by other Federal agencies.

b. At the grantee department level in a State, and for local governments, Federal agencies will work towards the objective of designating a single Federal agency, the one with predominant interest, which will have responsibility similar to that set forth in a. above for the negotiation and approval of the cost allocation plan and for the audit of costs.

ATTACHMENT B
Circular No. A-87STANDARDS FOR SELECTED ITEMS OF COSTA. Purpose and applicability.

1. Objective. This Attachment provides standards for determining the allowability of selected items of cost.

2. Application. These standards will apply irrespective of whether a particular item of cost is treated as direct or indirect cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable, rather determination of allowability in each case should be based on the treatment of standards provided for similar or related items of cost. The allowability of the selected items of cost is subject to the general policies and principles stated in Attachment A of this Circular.

B. Allowable costs.

1. Accounting. The cost of establishing and maintaining accounting and other information systems required for the management of grant programs is allowable. This includes cost incurred by central service agencies for these purposes. The cost of maintaining central accounting records required for overall State or local government purposes, such as appropriation and fund accounts by the Treasurer, Comptroller, or similar officials, is considered to be a general expense of government and is not allowable.

2. Advertising. Advertising media includes newspapers, magazines, radio and television programs, direct mail, trade papers, and the like. The advertising costs allowable are those which are solely for:

- a. Recruitment of personnel required for the grant program.
- b. Solicitation of bids for the procurement of goods and services required.
- c. Disposal of scrap or surplus materials acquired in the performance of the grant agreement.
- d. Other purposes specifically provided for in the grant agreement.

3. Advisory councils. Costs incurred by State advisory councils or committees established pursuant to Federal requirements to carry out grant programs are allowable. The cost of like organizations is allowable when provided for in the grant agreement.

4. Audit service. The cost of audits necessary for the administration and management of functions related to grant programs is allowable.

5. Bonding. Costs of premiums on bonds covering employees who handle grantee agency funds are allowable.

6. Budgeting. Costs incurred for the development, preparation, presentation, and execution of budgets are allowable. Costs for services of a central budget office are generally not allowable since these are costs of general government. However, where employees of the central budget office actively participate in the grantee agency's budget process, the cost of identifiable services is allowable.

7. Building lease management. The administrative cost for lease management which includes review of lease proposals, maintenance of a list of available property for lease, and related activities is allowable.

8. Central stores. The cost of maintaining and operating a central stores organization for supplies, equipment, and materials used either directly or indirectly for grant programs is allowable.

9. Communications. Communication costs incurred for telephone calls or service, telegraph, teletype service, wide area telephone service (WATS), centrex, telapak (tie lines), postage, messenger service and similar expenses are allowable.

10. Compensation for personal services.

a. General. Compensation for personal services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant agreement, including but not necessarily limited to wages, salaries, and supplementary compensation and benefits (section B.13.). The costs of such compensation are allowable to the extent that total compensation for individual employees: (1) is reasonable for the services rendered, (2) follows an appointment made in accordance with State or local government laws and rules and which meets Federal merit system or other requirements, where applicable; and (3) is determined and supported as provided in b. below. Compensation for employees engaged in federally assisted activities will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the State or local government. In cases where the kinds of employees required for the federally assisted activities are not found in the other activities of the State or local government, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

b. Payroll and distribution of time. Amounts charged to grant programs for personal services, regardless of whether treated as direct or indirect costs, will be based on payrolls documented and approved in accordance with generally accepted practice of the State or local agency. Payrolls

must be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort.

11. Depreciation and use allowances.

a. Grantees may be compensated for the use of buildings, capital improvements, and equipment through use allowances or depreciation. Use allowances are the means of providing compensation in lieu of depreciation or other equivalent costs. However, a combination of the two methods may not be used in connection with a single class of fixed assets.

b. The computation of depreciation or use allowance will be based on acquisition cost. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used in the computation. The computation will exclude the cost or any portion of the cost of buildings and equipment donated or borne directly or indirectly by the Federal Government through charges to Federal grant programs or otherwise, irrespective of where title was originally vested or where it presently resides. In addition, the computation will also exclude the cost of land. Depreciation or a use allowance on idle or excess facilities is not allowable, except when specifically authorized by the grantor Federal agency.

c. Where the depreciation method is followed, adequate property records must be maintained, and any generally accepted method of computing depreciation may be used. However, the method of computing depreciation must be consistently applied for any specific asset or class of assets for all affected federally sponsored programs and must result in equitable charges considering the extent of the use of the assets for the benefit of such programs.

d. In lieu of depreciation, a use allowance for buildings and improvements may be computed at an annual rate not exceeding two percent of acquisition cost. The use allowance for equipment (excluding items properly capitalized as building cost) will be computed at an annual rate not exceeding six and two-thirds percent of acquisition cost of usable equipment.

e. No depreciation or use charge may be allowed on any assets that would be considered as fully depreciated, provided, however, that reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

12. Disbursing service. The cost of disbursing grant program funds by the Treasurer or other designated officer is allowable. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including the necessary records of accountability and reconciliation of such records with related cash accounts.

13. Employee fringe benefits. Costs identified under a. and b. below are allowable to the extent that total compensation for employees is reasonable as defined in section B.10.

a. Employee benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, military leave, and the like, if they are: (1) provided pursuant to an approved leave system, and (2) the cost thereof is equitably allocated to all related activities, including grant programs.

b. Employee benefits in the form of employers' contribution or expenses for social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, and the like, provided such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

14. Employee morale, health and welfare costs. The costs of health or first-aid clinics and/or infirmaries, recreational facilities, employees' counseling services, employee information publications, and any related expenses incurred in accordance with general State or local policy, are allowable. Income generated from any of these activities will be offset against expenses.

15. Exhibits. Costs of exhibits relating specifically to the grant programs are allowable.

16. Legal expenses. The cost of legal expenses required in the administration of grant programs is allowable. Legal services furnished by the chief legal officer of a State or local government or his staff solely for the purpose of discharging his general responsibilities as legal officer are unallowable. Legal expenses for the prosecution of claims against the Federal Government are unallowable.

17. Maintenance and repair. Costs incurred for necessary maintenance, repair, or upkeep of property which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.

18. Materials and supplies. The cost of materials and supplies necessary to carry out the grant programs is allowable. Purchases made specifically for the grant program should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the grantee. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material cost.

19. Memberships, subscriptions and professional activities.

a. Memberships. The cost of membership in civic, business, technical and professional organizations is allowable provided: (1) the benefit from the membership is related to the grant program, (2) the expenditure is for agency membership, (3) the cost of the membership is reasonably related to the value of the services or benefits received, and (4) the expenditure is not for membership in an organization which devotes a substantial part of its activities to influencing legislation.

b. Reference material. The cost of books, and subscriptions to civic, business, professional, and technical periodicals is allowable when related to the grant program.

c. Meetings and conferences. Costs are allowable when the primary purpose of the meeting is the dissemination of technical information relating to the grant program and they are consistent with regular practices followed for other activities of the grantee.

20. Motor pools. The costs of a service organization which provides automobiles to user grantee agencies at a mileage or fixed rate and/or provides vehicle maintenance, inspection and repair services are allowable.

21. Payroll preparation. The cost of preparing payrolls and maintaining necessary related wage records is allowable.

22. Personnel administration. Costs for the recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for grant programs, are allowable.

23. Printing and reproduction. Cost for printing and reproduction services necessary for grant administration, including but not limited to forms, reports, manuals, and informational literature, are allowable. Publication costs of reports or other media relating to grant program accomplishments or results are allowable when provided for in the grant agreement.

24. Procurement service. The cost of procurement service, including solicitation of bids, preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for grant programs, is allowable.

25. Taxes. In general, taxes or payments in lieu of taxes which the grantee agency is legally required to pay are allowable.

26. Training and education. The cost of in-service training, customarily provided for employee development which directly or indirectly benefits grant programs is allowable. Out-of-service training involving extended periods of time is allowable only when specifically authorized by the grantor agency.

27. Transportation. Costs incurred for freight, cartage, express, postage and other transportation costs relating either to goods purchased, delivered, or moved from one location to another are allowable.

28. Travel. Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business incident to a grant program. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in nonfederally sponsored activities. The difference in cost between first-class air accommodations and less-than-first-class air accommodations is unallowable except when less-than-first-class air accommodations are not reasonably available.

C. Costs allowable with approval of grantor agency.

1. Automatic data processing. The cost of data processing services to grant programs is allowable. This cost may include rental of equipment or depreciation on grantee-owned equipment. The acquisition of equipment, whether by outright purchase, rental-purchase agreement or other method of purchase, is allowable only upon specific prior approval of the grantor Federal agency as provided under the selected item for capital expenditures.

2. Building space and related facilities. The cost of space in privately or publicly owned buildings used for the benefit of the grant program is allowable subject to the conditions stated below. The total cost of space, whether in a privately or publicly owned building, may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality. The cost of space procured for grant program usage may not be charged to the program for periods of nonoccupancy, without authorization of the grantor Federal agency.

a. Rental cost. The rental cost of space in a privately owned building is allowable.

b. Maintenance and operation. The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations and the like, are allowable to the extent they are not otherwise included in rental or other charges for space.

c. Rearrangements and alterations. Cost incurred for rearrangement and alteration of facilities required specifically for the grant program or those that materially increase the value or useful life of the facilities (section C.3.) are allowable when specifically approved by the grantor agency.

d. Depreciation and use allowances on publicly owned buildings. These costs are allowable as provided in section B.11.

e. Occupancy of space under rental-purchase or a lease with option-to-purchase agreement. The cost of space procured under such arrangements is allowable when specifically approved by the Federal grantor agency.

3. Capital expenditures. The cost of facilities, equipment, other capital assets, and repairs which materially increase the value or useful life of capital assets is allowable when such procurement is specifically approved by the Federal grantor agency. When assets acquired with Federal grant funds are (a) sold, (b) no longer available for use in a federally sponsored program, or (c) used for purposes not authorized by the grantor agency, the Federal grantor agency's equity in the asset will be refunded in the same proportion as Federal participation in its cost. In case any assets are traded on new items, only the net cost of the newly acquired assets is allowable.

4. Insurance and indemnification.

a. Costs of insurance required, or approved and maintained pursuant to the grant agreement, is allowable.

b. Costs of other insurance in connection with the general conduct of activities is allowable subject to the following limitations:

(1) Types and extent and cost of coverage will be in accordance with general State or local government policy and sound business practice.

(2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property is unallowable except to the extent that the grantor agency has specifically required or approved such costs.

c. Contributions to a reserve for a self-insurance program approved by the Federal grantor agency are allowable to the extent that the type of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.

d. Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the grant agreement. However, costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and

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minor losses not covered by insurance, such as spoilage, breakage and disappearance of small hand tools which occur in the ordinary course of operations, are allowable.

e. Indemnification includes securing the grantee against liabilities to third persons and other losses not compensated by insurance or otherwise. The Government is obligated to indemnify the grantee only to the extent expressly provided for in the grant agreement, except as provided in d. above.

5. Management studies. The cost of management studies to improve the effectiveness and efficiency of grant management for ongoing programs is allowable except that the cost of studies performed by agencies other than the grantee department or outside consultants is allowable only when authorized by the Federal grantor agency.

6. Preagreement costs. Costs incurred prior to the effective date of the grant or contract, whether or not they would have been allowable thereunder if incurred after such date, are allowable when specifically provided for in the grant agreement.

7. Professional services. Cost of professional services rendered by individuals or organizations not a part of the grantee department is allowable subject to such prior authorization as may be required by the Federal grantor agency.

8. Proposal costs. Costs of preparing proposals on potential Federal Government grant agreements are allowable when specifically provided for in the grant agreement.

D. Unallowable costs.

1. Bad debts. Any losses arising from uncollectible accounts and other claims, and related costs, are unallowable.

2. Contingencies. Contributions to a contingency reserve or any similar provision for unforeseen events are unallowable.

3. Contributions and donations. Unallowable.

4. Entertainment. Costs of amusements, social activities, and incidental costs relating thereto, such as meals, beverages, lodgings, rentals, transportation, and gratuities, are unallowable.

5. Fines and penalties. Costs resulting from violations of, or failure to comply with Federal, State and local laws and regulations are unallowable.

6. Governor's expenses. The salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision are considered a cost of general State or local government and are unallowable.

7. Interest and other financial costs. Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith, are unallowable except when authorized by Federal legislation.

8. Legislative expenses. Salaries and other expenses of the State legislature or similar local governmental bodies such as county supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction, are unallowable.

9. Underrecovery of costs under grant agreements. Any excess of cost over the Federal contribution under one grant agreement is unallowable under other grant agreements.