

separately identify for each cost submitted for payment to the SFA the amount of that cost that is allowable (can be paid from the Nonprofit School Food Service Account) and the amount that is unallowable (cannot be paid from the Nonprofit School Food Service Account); or (2) exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification. The Awarded Distributor's determination of its allowable costs must be made in compliance with the applicable USDA and CN Program regulations and Office of Management and Budget cost circulars. The Awarded Distributor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the SFA for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the applicable State Department of Education or other State agency having jurisdiction, the SFA may permit the Awarded Distributor to report this information on a less frequent basis than monthly, but no less frequently than annually. The Awarded Distributor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract. The Awarded Distributor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the SFA, the applicable State Department of Education or other State agency having jurisdiction, or the USDA, as applicable. **Understood**

4. **Access to Records.** Upon request, the Awarded Distributor must provide the HPS Institution, the USDA, the Inspectors General, the Comptroller General of the United States, and the applicable State Department of Education or other State agency having jurisdiction, or any of their duly authorized representatives, with (1) access to documents, papers, and records which are pertinent to the contract, in order to make audits, examinations, excerpts and transcripts, and (2) timely and reasonable access to the Awarded Distributor's personnel for the purpose of interview and discussion related to such documents (2 CFR §200.337). **Agreed**

5. **Record Retention.** The Awarded Distributor must retain all records with respect to a HPS Institution required under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200.334), for at least three years after the HPS Institution makes its final payments and all other pending matters are closed. Whenever practicable, the Awarded Distributor should collect, transmit and store such records in open and machine-readable formats rather than in closed formats or on paper. **Agreed**

6. **Environmental Protection; Recovered Materials.** To the extent applicable and in accordance with Appendix II to 2 CFR Part 200 ¶ (G), the Awarded Distributor must comply with all standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387), as amended, as well as any mandatory standards and policies relating to energy efficiency which are contained in any state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871). Violations must be reported to the USDA and the Regional Office of the Environmental Protection Agency ("EPA"). Further, to the extent applicable and in accordance with 2 CFR § 200.322 and Appendix II to 2 CFR Part 200 ¶ (L), the Awarded Distributor must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, including without limitation the establishment of an affirmative procurement program for procurement of recovered materials identified in the EPA Guidelines at

40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. **Agreed**

7. Equal Employment Opportunity. To the extent applicable, the Awarded Distributor must comply with Executive Order 11246, “Equal Employment Opportunity,” as amended, including amendments by E.O. 11375 and E.O. 13672, and as supplemented by regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” **Understood**

8. Debarment and Suspension. If the Master Group Agreement or any Individual Member/Participant Agreement is considered a “covered transaction” under the federal rules implementing Executive Order 12549, “Debarment and Suspension,” including the OMB Guidance in 2 CFR Part 180 and the USDA implementing regulations in 2 CFR Part 417, then each such Agreement will be deemed to include a term or condition requiring the Awarded Distributor to comply with Subpart C of 2 CFR Part 180, as supplemented by Subpart C of 2 CFR Part 417, and further requiring the Awarded Distributor to include a similar term or condition in all lower tier covered transactions. In addition, all responding vendors must submit a signed Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion in the form of the attached **Appendix A**. No contract will be made with parties listed on the Excluded Parties List System maintained as part of the federal System for Awards Management (“SAM”). **See Appendix A**

9. Byrd Anti-Lobbying Amendment. All responding vendors must submit a signed Certification Regarding Lobbying in the form of the attached **Appendix B**. Each tier certifies to the tier above that it will not use and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. All responding vendors must disclose any such lobbying activities by submitting a signed Disclosure of Lobbying Activities (Standard Form – LLL) in the form attached as **Appendix C**. **See Appendix B and C**

10. Buy American. Each HPS Institution that is an SFA and participates in the CN Programs is required to use the Nonprofit School Foodservice Account funds, to the maximum extent practicable, to buy domestic commodities or products for CN Program meals. A “**domestic commodity or product**” is defined as an agricultural commodity produced in the United States and a food product processed in the United States substantially using agricultural commodities that are produced in the United States, as provided in 7 CFR 210.21(d). “**Substantially**” means over 51% of the food component, by weight or volume, must be of U.S. origin. The food component of the Product is the agricultural commodity, including meats/meat alternates, grains, vegetables, fruits and fluid milk.