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ATTACHMENT G

June 2005

U.S. Department
of Transportation
Federal Aviation
Administration

Terms And Conditions Of Accepting Airport Improvement Program Grants

Sponsor: City of Chicago – Department of Aviation

Airport: Chicago O'Hare International Airport and Chicago Midway International Airport

This document contains the terms and conditions of accepting Airport Improvement Program (AIP) grants from the Federal Aviation Administration (FAA) for the purpose of carrying out the provisions of Title 49, United States Code. These terms and conditions become applicable when the sponsor accepts a Grant Offer from the FAA that references this document. The terms and conditions may be unilaterally amended by the FAA, by notification in writing, and such amendment will only apply to grants accepted after notification.

I. Certifications

Section 47105(d), Title 49 of the United States Code authorizes the Secretary to require certification from sponsors that they will comply with statutory and administrative requirements. The following list of certified items includes major requirements for this aspect of project implementation. However, the list is not comprehensive, nor does it relieve sponsors from fully complying with all applicable statutory and administrative standards. In accepting a grant, the sponsor certifies that each of the following items will be complied with in the performance of grant agreements. If a certification cannot be met for a specific project, the sponsor must fully explain in an attachment to the project application.

A. Sponsor Certification for Selection of Consultants

General procurement standards for consultant services within Federal grant programs are described in 49 CFR 18.36. Sponsors may use other qualifications-based procedures provided they are equivalent to specific standards in 49 CFR 18 and Advisory Circular 150/5100-14.

1. All advertisements will be placed to ensure fair and open competition from a wide area of interest.

2. For any and all contracts over $25,000, consultants will be selected using competitive procedures based on qualifications, experience, and disadvantaged business enterprise requirements with the fee determined through negotiation.

3. An independent cost analysis will be performed, and a record of negotiations will be prepared reflecting the considerations involved in the establishment of fees for all engineering contracts with basic service fees exceeding $100,000.

4. If any services are to be performed by sponsor force account personnel prior approval must be obtained from FAA.

5. All consultant services contracts will clearly establish the scope of work and delineate the division of responsibilities between all parties engaged in carrying out elements of the project.

6. All costs associated with work ineligible for AIP funding will be clearly identified and separated from eligible items.

7. All mandatory contract provisions for grant-assisted contracts will be included in all consultant services contracts.

8. If any contract is awarded without competition, pre-award review and approval will be obtained from FAA.

9. Cost-plus-percentage-of-cost methods of contracting prohibited under Federal standards will not be used.

10. If services being procured cover more than a single grant project the scope of work will be specifically described in the advertisement, and future work will not be initiated beyond five years.

B. **Sponsor Certification for Project Plans and Specifications**

General AIP standards are described in Advisory Circulars 150/5100-6, 150/5100-15, and 150/5100-16. A list of current advisory circulars with specific standards for design or construction of airports and procurement or installation of airport equipment and facilities is referenced in Section III.C.24.

1. All plans and specifications will be developed in accordance with all current applicable Federal standards and requirements, or state standard specifications developed under a Federal grant, and no deviation from or modification to standards set forth in the advisory circulars will be allowed without prior approval of the FAA.

2. All equipment specifications will rely on the national standards as contained in the Advisory Circulars, without deviations, to the maximum extent possible. Specifications for the procurement of equipment for which there is no Federal specification or standard, will not be proprietary nor written to restrict competition. If there is no national standard, or if the national standard provides for a choice to be made, at least two manufacturers will assure that they can meet the specification. A deviation from the national standard will require FAA approval of the design standard modification.

3. All development to be included in any plans is depicted on an Airport Layout Plan approved by FAA.

4. All development which is ineligible for AIP funding will either be omitted from the plans and specifications or costs associated with ineligible or AIP non-participating items will be separated and noted as non-AIP work and deducted from AIP project reimbursement requests.

5. Process control and acceptance tests required for any and all projects by standards contained in Advisory Circular 150/5370-10 will be included in the project specifications.

6. If a value engineering clause is incorporated into any contract, concurrence will be obtained from FAA.

7. All plans and specifications will incorporate applicable requirements and recommendations set forth in the Federally approved environmental finding.

8. For all construction activities within or near aircraft operational areas, the applicable requirements contained in Advisory Circular 150/5370-2 will be discussed with FAA and incorporated into the specifications. A safety/phasing plan will be prepared, and prior FAA concurrence will be obtained.

9. All projects will be physically completed without Federal participation in costs that are due to errors or omissions in the plans and specifications that were foreseeable at the time of project design.

10. All Airport Layout Plan (ALP) revisions and proposals for facility construction clearance will include coordinates that are either surveyed or based on reference coordinates previously found acceptable to FAA. The coordinates will be verified and found consistent with the dimensions shown on the project sketch/ALP. The coordinates will be in terms of the North American Datum of 1983.

11. All site elevations on Airport Layout Plan (ALP) revisions and proposals for construction clearance will be within +/-0.1 foot vertically and the vertical datum will be in terms of the National Geodetic Vertical Datum of 1929.

C. **Sponsor Certification for Equipment/Construction Contracts**

Standards for advertising and awarding equipment and construction contracts within Federal grant programs are described in 49 CFR 18.36. Sponsors may use their procurement procedures reflecting State and local laws or regulations provided procurements conform to specific standards in 49 CFR 18 and Advisory Circulars 150/5100-6, 150/5100-15, and 150-5100-16.

1. A code or standard of conduct will be in effect governing the performance of the sponsor's officers, employees, or agents in soliciting and awarding procurement contracts.

2. Qualified personnel will be engaged to perform contract administration, engineering supervision, and construction inspection and testing on all projects.

3. All procurement will be publicly advertised using the competitive sealed bid method of procurement. If procurement is less than $100,000, project may use three (3) quote method.

4. All requests for bids will clearly and accurately describe all administrative and other requirements of the equipment and/or services to be provided.

5. Concurrence will be obtained from FAA prior to contract award under any of the following circumstances:

   a. Only one qualified person/firm submits a responsive bid,

b. The contract is to be awarded to other than the lowest responsive and responsible bidder,

c. Life cycle costing is a factor in selecting the lowest responsive bidder,

d. Proposed contract prices are more than 10% over the sponsor's cost estimate.

6. All contracts exceeding $100,000, require a bid guarantee of 5%, a performance bond of 100%, and a payment bond of 100%.

7. All contracts exceeding $100,000 will contain provisions or conditions specifying administrative, contractual, and legal remedies, including contract termination, for those instances in which contractors violate or breach contract terms. They also will contain provisions requiring compliance with applicable standards and requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and environmental protection regulations (40 CFR Part 15).

8. All construction contracts involving labor will contain provisions insuring that in the employment of labor preference will be given to honorably discharged Vietnam era veterans and disabled veterans.

9. All construction contracts exceeding $2,000 will contain provisions requiring compliance with the Davis-Bacon Act and bid solicitations will contain a copy of the current Federal wage rate determination. Provisions requiring compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) and the Copeland "Anti-Kick Back" Act will be included.

10. All construction contracts exceeding $10,000 will contain appropriate clauses from 41 CFR part 60 for compliance with Equal Employment Opportunity Executive Order 11246.

11. All contracts and subcontracts will contain clauses required from Title VI Civil Rights Assurances and 49 CFR 26 for Disadvantaged Business Enterprises.

12. Appropriate checks will be made to assure that contracts or subcontracts are not awarded to those individuals or firms suspended, debarred, or voluntarily excluded from doing business with any DOT element and appearing on the DOT Unified List.

D. **Sponsor Certification for Real Property Acquisition**

Requirements on real property acquisition and relocation assistance are in 49 CFR 24 and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).

1. Good and sufficient title will be held on property in any and all projects. The sponsor's attorney or other official will prepare and have on file title evidence on the property.

2. If defects and/or encumbrances exist in the title, which adversely impact the sponsor's intended use of property in the project, they will be extinguished, modified, or subordinated.

3. If property for airport development will be leased, the term is for 20 years or the useful life of the project. The lessor is a public agency and the lease contains no provisions, which prevent full compliance with the grant agreement.

4. Property will be in conformance with the current Exhibit A (property map). The property map is based on deeds, title opinions, land surveys, the approved Airport Layout Plan, and project documentation.

5. For any and all acquisition of property interest in noise sensitive approach zones and related areas, property interest will be obtained to ensure land is used for purposes compatible with noise levels associated with operation of the airport.

6. For all acquisition of property interest in runway protection zones and areas related to FAR Part 77 surfaces, property interest will be obtained for the right of flight, right of ingress and egress to remove obstructions, right to make noise associated with aircraft operations, and to restrict the establishment of future obstructions.

7. All appraisals will include valuation data to estimate the current market value for the property interest acquired on each parcel and will be prepared by qualified real estate appraisers hired by the sponsor. An opportunity will be provided the property owner or their representative to accompany appraisers during inspections.

8. All appraisals will be reviewed by a qualified review appraiser to recommend an amount for the offer of just compensation. All written appraisals and review appraisal will be available to FAA for review.

9. A written offer to acquire property will be presented to the property owner for not less than the approved amount of just compensation.

10. Every effort will be made to acquire property through negotiation with no coercive action to induce agreement. If negotiation is successful, project files will contain supporting documents for settlements.

11. If a negotiated settlement is not reached, condemnation will be initiated and a court deposit not less than the just compensation will be made prior to possession of the property. Project files will contain supporting documents for awards.

12. If displacement of persons, businesses, farm operations, or nonprofit organizations is involved, a relocation assistance program will be established. Displaced persons will receive general information in writing on the relocation program, notice of relocation eligibility, and a 90 day notice to vacate.

13. Relocation assistance services, comparable replacement housing, and payment of necessary relocation expenses will be provided within a reasonable time period for displaced occupant in accordance with the Uniform Act.

E. Sponsor Certification for Construction Project Final Acceptance

General requirements for final acceptance and close-out of Federally funded construction projects are in 49 CFR 18.50. The sponsor shall determine that project costs are accurate and proper in accordance with specific requirements of the Grant Agreement and contract documents.

1. All personnel engaged in project administration, engineering supervision, and construction inspection and testing will be determined to be qualified and competent to perform the work.

2. All daily construction records will be kept by the resident engineer/construction inspector. These records document work in progress, quality and quantity of materials delivered, test

locations and results, instructions provided the contractor, weather, equipment use, labor requirements, safety problems, and changes required.

3. All weekly payroll records and statements of compliance will be submitted by the prime contractor and reviewed by the sponsor for Federal labor and civil rights requirements (Advisory Circular 150/5100-6 and 150/5100-15).

4. All complaints regarding the mandated Federal provisions set forth in the contract documents will be submitted to the Department of Labor.

5. All tests specified in the plans and specifications will be performed and the test results documented. A summary of test results will be available to FAA.

6. For all test results outside allowable tolerances, appropriate corrective actions will be taken.

7. All payments to the contractor will be made in compliance with contract provisions and verified by the sponsor's internal audit of contract records kept by the resident engineer. If appropriate, all pay reduction factors required by the specifications will be applied in computing final payments and a summary of pay reductions will be available to FAA.

8. All projects will be accomplished without significant deviations, changes, or modifications from the developed plans and specifications, except where approval will be obtained from FAA.

9. All final project inspections will be conducted with representatives of the sponsor and the contractor. Project files will contain documentation of the final inspection.

10. All work in the Grant Agreement will be physically completed and corrective actions required as a result of the final inspection will be completed to the satisfaction of the construction contract and the sponsor.

11. As-built plans and an equipment inventory, if applicable, will be maintained as sponsor records. If requested, a revised Airport Layout Plan will be made available to FAA prior to start of development.

12. All applicable close-out financial reports will be submitted to FAA within three (3) years of the date of grant.

F. Sponsor Certification for Seismic Design and Construction

49 CFR Part 41 sets forth the requirements in the design and construction of the building(s) to be financed with the assistance of the Federal Aviation Administration. Compliance will be met by adhering to at least one of the following accepted standards:

1. Model codes found to provide a level of seismic safety substantially equivalent to that provided by use of the 1988 National Earthquake Hazards Reduction Program (NEHRP) including:

    a. The 1991 International Conference of Building Officials (IBCO) Uniform Building Code, published by the International Conference of Building Officials, 5360 South Workman Mill Road, Whittier, California 90601.

b. The 1992 Supplement to the Building Officials and Code Administration International (BOCA) National Building Code, published by the Building Officials and Code Administrators, 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795.

c. The 1992 Amendments to the Southern Building Code Congress (SBCC) Standard Building Code, published by the Southern Building Code Congress International, 900 Montclair Road, Birmingham, Alabama 35213-1206.

2. Revisions to the model codes listed above that are substantially equivalent or exceed the then current or immediately preceding edition of the NEHRP recommended provisions, as it is updated, may be approved by the DOT Operating Administration to meet the requirements of 49 CFR Part 41.

3. State, county, local, or other jurisdictional building ordinances adopting and enforcing the model codes, listed above, in their entirety, without significant revisions or changes in the direction of less seismic safety, meet the requirement of 49 CFR Part 41.

G. **Sponsor Certification for Drug-Free Workplace**

1. The sponsor certifies that it will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the sponsor's workplace and specifying the actions that will be taken against employees for violations of such prohibitions.

b. Establishing an ongoing drug-free awareness program to inform employees about:

(1) The dangers of drug abuse in the workplace.

(2) The grantee's policy of maintaining a drug-free workplace.

(3) Any available drug counseling, rehabilitation, and employee assistance programs.

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of a grant be given a copy of the statement required by paragraph a.

d. Notifying the employee in the statement required by paragraph a that, as a condition of employment under a grant, the employee will:

(1) Abide by the terms of the statement.

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statue occurring in the workplace no later than five calendar days after such conviction.

e. Notifying the agency in writing, within ten calendar days after receiving notice under paragraph d(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice including position title, to every grant officer or other designee on whose grant activity the convicted employee was

working, unless the Federal agency has designated a central point for the receipt of such notices. Notices shall include the identification number(s) of each affected grant.

f. Taking one of the following actions, within 30 calendar days of receiving notice under paragraph d(2) with respect to any employee who is so convicted:

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended.

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.

(3) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

2. The sponsor may insert in the space provided below the site(s) for the performance of work done in connection with grants:

Place of Performance (street address, city, county, state, zip code)

Chicago O'Hare International Airport	Chicago Midway International Airport
P.O. Box 66142	5700 S. Cicero Avenue
Chicago, Il 60666	Chicago, Il 60638

II. General Conditions

A. The allowable costs of all AIP funded project shall not include any costs determined by the FAA to be ineligible for consideration under the Title 49 U.S.C.

B. Payment of the United States' share of all allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determinations of the United States' share will be based upon the final audits of the total amount of allowable project costs, and settlement will be made for any upward or downward adjustments to the Federal share of costs.

C. The sponsor shall carry out and complete all AIP funded projects without undue delays and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe.

D. The FAA reserves the right to amend or withdraw a grant offer at any time prior to its acceptance by the sponsor.

E. A grant offer will expire, and the United States shall not be obligated to pay any part of the costs of the project unless the grant offer has been accepted by the sponsor on or before 60 days after the grant offer but no later than September 30 of the Federal fiscal year the grant offer was made, or such subsequent date as may be prescribed in writing by the FAA.

F. The sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any manner in any project upon which Federal funds have been expended. For the purposes of this grant

agreement, the term "Federal funds" means funds however used or disbursed by the sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order or judgment, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.

G. The United States shall not be responsible or liable for damage to property or injury to persons, which may arise from, or be incident to, compliance with a grant agreement.

H. If, during the life of an AIP funded project, the FAA determines that a grant amount exceeds the expected needs of the sponsor by $25,000 or five percent (5%), whichever is greater, a grant amount can be unilaterally reduced by letter from FAA advising of the budget change. Conversely, with the exception of planning projects, if there is an overrun in the eligible project costs, FAA may increase a grant to cover the amount of the overrun not to exceed the statutory fifteen (15%) percent limitation for primary airports. For non-primary airports, with the exception of planning projects, FAA may increase a grant to cover the amount of overrun by not more than fifteen percent (15%) of the original grant amount for development and not more than fifteen (15%) percent of the original grant portion pertaining to land or by an amount not to exceed twenty-five percent (25%) of the total increase in allowable project costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding. FAA will advise the sponsor by letter of the increase. Planning projects will not be increased above the planning portion of the maximum obligation of the United States shown in the grant agreement. Upon issuance of either of the aforementioned letters, the maximum obligation of the United States is adjusted to the amount specified. In addition, the sponsor's officially designated representative, is authorized to request FAA concurrence in revising the project description and grant amount within statutory limitations. A letter from the FAA concurring in the said requested revision to the project work description and/or grant amount shall constitute an amendment to a Grant Agreement.

I. If requested by the sponsor and authorized by the FAA, the letter of credit method of payment may be used. It is understood and agreed that the sponsor agrees to request cash withdrawals on the letter of credit only when actually needed for its disbursements and to timely reporting of such disbursements as required. It is understood that failure to adhere to this provision may cause the letter of credit to be revoked.

J. Unless otherwise approved by the FAA, it will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant. The sponsor will include in every contract a provision implementing this condition.

III. Assurances

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used

herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.

3. Upon acceptance of the grant offer by the sponsor, these assurances are incorporated in and become part of the grant agreement.

B. **Duration and Applicability.**

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.** The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with Federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.** The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.** Unless otherwise specified in the grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section IIIC apply to planning projects. The terms, conditions, and assurances of the grant agreement shall remain in full force and effect during the life of the project.

C. **Sponsor Certification.** The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements**. It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
d. Hatch Act - 5 U.S.C. 1501, et seq.[2]
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1,2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]

h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
p. American Indian Religious Freedom Act, P.L. 95-341, as amended.
q. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
r. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
t. Copeland Antikickback Act - 18 U.S.C. 874. [1]
u. National Environmental Policy Act of 1969 – U.S.C. 4321 et seq.[1]
v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

Executive Orders

a. Executive Order 11246 - Equal Employment Opportunity1
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 – Flood Plain Management
d. Executive Order 12372 - Intergovernmental Review of Federal Programs.
e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction1
f. Executive Order 12898 - Environmental Justice

Federal Regulations

a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
c. 14 CFR Part 150 - Airport noise compatibility planning.
d. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
e. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
f. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
g. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]
h. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]
i. 49 CFR Part 20 - New restrictions on lobbying.
j. 49 CFR Part 21 - Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
k. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

l. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.[1,2]
m. 49 CFR Part 26 – Participation By Disadvantaged Business Enterprises in Department of Transportation Programs.
n. 49 CFR Part 27 - Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance.[1]
o. 49 CFR Part 29 – Government wide debarment and suspension (non-procurement) and government wide requirements for drug-free workplace (grants).
p. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
q. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.1.

Office of Management and Budget Circulars

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.
b. A-133 - Audits of States, Local Governments, and Non-Profit Organizations

[1] These laws do not apply to airport planning sponsors.

[2] These laws do not apply to private sponsors.

[3] 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in the grant agreement.

2. **Responsibility and Authority of the Sponsor.**

a. **Public Agency Sponsor**: It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. **Private Sponsor**: It has legal authority to apply for the grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.** It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to

assure operation and maintenance of items funded under the grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

   b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in the grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of the grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

   c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

   d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in the grant agreement and shall insure that such arrangement also requires compliance therewith.

6. **Consistency with Local Plans**. The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest**. It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users**. In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings**. In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Air and Water Quality Standards**. In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

11. **Pavement Preventive Maintenance**. With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites**. For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under

section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of the grant, the total cost of the project in connection with which the grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to the grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates**. It shall include, in all contracts in excess of $2,000 for work on any projects funded under the grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.** It shall include in all contracts for work on any project funded under the grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Veterans of the Vietnam era and disabled veteran as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications**. It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into the grant agreement.

17. **Construction Inspection and Approval**. It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms

to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects**. In carrying out planning projects:

    a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

    b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

    c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

    d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

    e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

    f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

    g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

    h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

    a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

        (1) Operating the airport's aeronautical facilities whenever required;

(2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

(3) Promptly notifying airmen of any condition affecting aeronautical use of the airport.

Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.** It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.** It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

(1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

(2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, nontenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or nontenants and signatory carriers and nonsignatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights**. It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

    a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

    b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.

    It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate

any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.** It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

    a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. Provided, however, that if covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

    b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

    c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.** It will:

    a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

    b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

    c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other

instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

(1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

(2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft**. It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that-

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities**. It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan**.

a. It will keep up to date at all times an Airport Layout Plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing and proposed non-aviation areas and of all existing improvements thereon. Such Airport Layout Plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the Airport Layout Plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity

with the Airport Layout Plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the Airport Layout Plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities.

30. **Civil Rights.** It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the sponsor retains ownership or possession of the property.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, 1) be paid to the Secretary for deposit in the Trust Fund, or 2) be reinvested in an approved noise compatibility project as prescribed by the Secretary, including the purchase of nonresidential buildings or property in the vicinity of residential buildings or property previously purchased by the airport as part of a noise compatibility program.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (a) upon application to the Secretary, be reinvested in another eligible airport improvement project or projects approved by the Secretary at that airport or within the national airport system, or (b) be paid to the Secretary for deposit in the Trust Fund if no eligible project exists.

c. Land shall be considered to be needed for airport purposes under this assurance if (a) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (b) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did

not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a), (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels and safety associated with operation of the airport.

32. **Engineering and Design Services.** It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.** It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.** It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the most current version, at the time the grant is signed, of the advisory circulars listed under the following table titled "Current FAA Advisory Circulars for AIP Projects", and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

CURRENT FAA ADVISORY CIRCULARS FOR AIP PROJECTS
Dated: 7/1/99

1. NUMBER	TITLE
70/7460-1	Obstruction Marking and Lighting
150/5000-13	Announcement of Availability--RTCA Inc., Document RTCA-221, Guidance and Recommended Requirements for Airport Surface Movement Sensors
150/5210-5	Painting, Marking and Lighting of Vehicles Used on an Airport
150/5210-7	Aircraft Fire and Rescue Communications
150/5210-13	Water Rescue Plans, Facilities, and Equipment
150/5210-14	Airport Fire and Rescue Personnel Protective Clothing
150/5210-15	Airport Rescue & Firefighting Station Building Design
150/5210-18	Systems for Interactive Training of Airport Personnel
150/5210-19	Driver's Enhanced Vision System (DEVS)
150/5220-4	Water Supply Systems for Aircraft Fire and Rescue Protection
150/5220-10	Guide Specification for Water/Foam Type Aircraft Rescue and Firefighting Vehicles

1. NUMBER	TITLE
150/5220-13	Runway Surface Condition Sensor Specification Guide
150/5220-16	Automated Weather Observing Systems for NonFederal Applications
150/5220-17	Design Standards for Aircraft Rescue Firefighting Training Facilities
150/5220-18	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-19	Guide Specification for Small, Dual-Agent Aircraft Rescue and Firefighting Vehicles
150/5220-20	Airport Snow and Ice Control Equipment
150/5220-21	Guide Specification for Lifts Used to Board Airline Passengers With Mobility Impairments
150/5300-13	Airport Design
150/5300-14	Design of Aircraft Deicing Facilities
150/5320-5	Airport Drainage
150/5320-6	Airport Pavement Design and Evaluation
150/5320-12	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-14	Airport Landscaping for Noise Control Purposes
150/5320-16	Airport Pavement Design for the Boeing 777 Airplane
150/5325-4	Runway Length Requirements for Airport Design
150/5340-1	Standards for Airport Markings
150/5340-4	Installation Details for Runway Centerline Touchdown Zone Lighting Systems
150/5340-5	Segmented Circle Airport Marker System
150/5340-14	Economy Approach Lighting Aids
150/5340-17	Standby Power for Non-FAA Airport Lighting Systems
150/5340-18	Standards for Airport Sign Systems
150/5340-19	Taxiway Centerline Lighting System
150/5340-21	Airport Miscellaneous Lighting Visual Aids
150/5340-23	Supplemental Wind Cones
150/5340-24	Runway and Taxiway Edge Lighting System
150/5340-27	Air-to-Ground Radio Control of Airport Lighting Systems
150/5345-3	Specification for L821 Panels for Remote Control of Airport Lighting
150/5345-5	Circuit Selector Switch
150/5345-7	Specification for L824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10	Specification for Constant Current Regulators Regulator Monitors
150/5345-12	Specification for Airport and Heliport Beacon

1. NUMBER	TITLE
150/5345-13	Specification for L841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26	Specification for L823 Plug and Receptacle, Cable Connectors
150/5345-27	Specification for Wind Cone Assemblies
150/5345-28	Precision Approach Path Indicator (PAPI) Systems
150/5345-39	FAA Specification L853, Runway and Taxiway Centerline Retroreflective Markers
150/5345-42	Specification for Airport Light Bases, Transformer Housings, Junction Boxes and Accessories
150/5345-43	Specification for Obstruction Lighting Equipment
150/5345-44	Specification for Taxiway and Runway Signs
150/5345-45	Lightweight Approach Light Structure
150/5345-46	Specification for Runway and Taxiway Light Fixtures
150/5345-47	Isolation Transformers for Airport Lighting Systems
150/5345-49	Specification L854, Radio Control Equipment
150/5345-50	Specification for Portable Runway Lights
150/5345-51	Specification for Discharge-Type Flasher Equipment
150/5345-52	Generic Visual Glideslope Indicators (GVGI)
150/5345-53	Airport Lighting Equipment Certification Program
150/5360-9	Planning and Design of Airport Terminal Facilities at NonHub Locations
150/5360-12	Airport Signing & Graphics
150/5360-13	Planning and Design Guidance for Airport Terminal Facilities
150/5370-2	Operational Safety on Airports During Construction
150/5370-10	Standards for Specifying Construction of Airports
150/5390-2	Heliport Design
150/5390-3	Vertiport Design
150/5100-14	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5200-30	Airport Winter Safety and Operations
150/5200-33	Hazardous Wildlife Attractants On or Near Airports
150/5300-15	Use of Value Engineering for Engineering Design of Airport Grant Projects
150/5370-11	Use of Nondestructive Testing Devices in the Evaluation of Airport Pavements
150/5370-12	Quality Control of Construction for Airport Grant Projects
150/5370-6	Construction Progress and Inspection Report-Airport Grant Program

35. **Relocation and Real Property Acquisition.** (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.** The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.** The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non discrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26, and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801).

38. **Hangar Construction.** If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft's owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

    a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:

    (1) Describes the requests;

    (2) Provides an explanation as to why the requests could not be accommodated; and

    (3) Provides a time frame within, if any, the airport will be able to accommodate requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

IV. Standard DOT Title VI Assurances

The sponsor hereby agrees that as a condition to receiving Federal financial assistance from the Department of Transportation (DOT), it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and all requirements imposed by 49 CFR 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") to the end that no person in the United States shall, on the ground 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 applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. Without limiting the above general assurance, the sponsor agrees concerning this grant that:

A. Each "program" and "facility" (as defined in Sections 21.23(e) and 21.23 (b)) will be conducted or operated in compliance with all requirements of the Regulations.

B. It will insert the following clauses in every contract subject to the Act and the Regulations:

"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, including employment practices when the contract covers a program set forth in Appendix B 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 (FAA) 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 FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. Sanctions or 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 FAA 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 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor."

C. Where Federal financial assistance is received to construct a facility, or part of a facility, the assurance shall extend to the entire facility and facilities operated in connection therewith.

D. Where Federal financial assistance is in the form or for the acquisition of real property or an interest in real property, the assurance shall extend to rights to space on, over, or under such property.

E. It will include the following clauses, as appropriate:

"1. The (grantee, licensee, lessee, permitee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, leasee, permitee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

2. The (grantee, licensee, lessee, permitee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended, of the FAA may direct as a means of enforcing such provisions including sanctions or noncompliance. Provided, however, that in the event a contract 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."

as a covenant running with the land, in any future deeds, leases, permits, licenses, and similar agreements entered into by the sponsor with other parties:

1. for the subsequent transfer of real property acquired or improved with Federal financial assistance under this Project; and

2. for the construction or use of or access to space on, over, or under real property acquired or improved with Federal financial assistance under this Project.

F. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon, in which case the assurance obligates the sponsor or any transferee for the longer of the following periods.

1. the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or

2. the period during which the sponsor retains ownership or possession of the property.

G. It will 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 sponsors, subgrantees, contractors, subcontractors, transferees, successors in interest, and other participants or Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Act, the Regulations, and this assurance.

H. It 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 Federal financial ACE-1450 Standard DOT Title VI Assurance 8/29/96 assistance for this Project and is binding on its contractors, the sponsor, subcontractors, transferees, successors in interest and other participants in the Project. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the sponsor.

V. Sponsor Acceptance of Terms and Conditions

I certify that, for any and all projects with federal participation to be undertaken by the Sponsor, the Sponsor agrees to accomplish the projects within the terms and conditions contained herein.

City of Chicago - Department of Aviation

Name of Sponsor

Signature Sponsor's Designated Official Representative

Commissioner of Aviation

Title

July 1, 2005

Dated