Ecosystem Restoration Program

Projects that Assist Farmers in Integrating Agricultural Activities with Ecosystem Restoration

Proposal Solicitation Package

October 2005

CALIFORNIA
BAY-DELTA
AUTHORITY

CALFED BAY-DELTA PROGRAM

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- Meeting Notice -

Ecosystem Restoration Program

2005 Solicitation: Projects that assist farmers in integrating agricultural activities with ecosystem restoration

Application Period: October 11 – December 15, 2005

The CALFED Bay-Delta Program agencies through the California Bay-Delta Authority, the California Department of Fish and Game, the U.S. Fish and Wildlife Service, and the NOAA Fisheries Service request proposals for projects that assist farmers in integrating agricultural activities with ecosystem restoration.

The proposal solicitation Package can be down loaded on October 11, 2005 from:
http://calwater.ca.gov/Solicitation/ERP_Solicitation.shtml

Notice of Pre-Submittal Workshops

Thursday, October 13, 2005
5:30-7:30 pm
Yolo Basin Wildlife Area Headquarters
45211 County Road 32 B
Davis, CA

Monday October 17, 2005
5:30-7:30 pm
Modesto Library
1500 I Street
Modesto, CA

Tuesday October 18, 2005
12-1:30 pm
Exchange Contractors
541 H St.
Los Banos, CA

Thursday October 20, 2005
5:30-7:30 pm
Monday Afternoon Club
120 North Lassen Street
Willows, CA

Tuesday October 25, 2005
12-1:30 pm
Napa County Library
580 Coombs St
Napa, CA

Workshops will include a session on proposal content and format and a description of the web-based submittal process. After the workshops, written responses to common questions will be posted in the Frequently Asked Questions section of the PSP web site.

Proposal Due Date: December 15, 2005

Complete proposals must be submitted electronically on the Internet at https://solicitation.calwater.ca.gov by 5:00 PM, Pacific Time, December 15, 2005. Proposals received after this date and time will not be accepted.

- If you need additional information, please contact Jay Chamberlin at (916) 445-7388.
- If you need reasonable accommodation due to a disability, please contact Colleen Kirtlan of the California Bay-Delta Authority at (916) 445-5511 or TDD (800) 735-2929.

For further information please visit our website at http://calwater.ca.gov

CALFED BAY-DELTA PROGRAM

ECOSYSTEM RESTORATION PROGRAM

2005 Solicitation for projects that assist farmers in integrating agricultural activities with ecosystem restoration

Synopsis

The CALFED Bay-Delta Program agencies through the California Bay-Delta Authority, the California Department of Fish and Game, the U.S. Fish and Wildlife Service, and the NOAA Fisheries Service is seeking applications for projects that assist farmers in integrating agricultural activities with ecosystem restoration. The geographic area of interest is California's Sacramento River and San Joaquin River watersheds and the San Francisco Estuary. Applications will be accepted from October 11, 2005 through 5 pm Pacific Time December 15, 2005.

Award Information

Anticipated Type of Award: Grant

Estimated Number of Awards: Approximately 5 to 20 awards

Anticipated Funding Amount: Approximately $9 million

Potential Funding per Grant: No limit

Length of Funding: Up to 3 years

Eligibility Information

Any public agency or nonprofit organization as defined in Water Code Section 79505(g) and capable of entering into a grant agreement with the State or Federal government may apply. This includes, but is not limited to: (1) local agencies; (2) private nonprofit organizations, as statutorily defined; (3) tribes; (4) universities; (5) State agencies; and (6) Federal agencies.

Contacts

Proposal Submittal Process Helpline: (877) 408-9310 or via email: help@solicitation.calwater.ca.gov

Ecosystem Restoration Program PSP for Assisting Farmers in Integrating Agricultural Activities with Ecosystem Restoration

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Chapter 1—Introduction

What is in this chapter?

The CALFED Bay-Delta Program's Ecosystem Restoration Program (ERP) is requesting proposals for projects that assist farmers in integrating agricultural activities with ecosystem restoration. This Proposal Solicitation Package (PSP) serves two purposes: (1) to help you determine whether to apply for a grant through the ERP and (2) to guide you through the proposal process.

This chapter briefly describes the CALFED Bay-Delta Program (Program) and its goals, principles, and commitments. This chapter also explains the processes used to establish the PSP priorities, including information about the PSP's funding sources. Chapter 2 lists specific priorities for this PSP. Chapter 3 describes who is eligible to apply for funds, what your proposal needs to contain, and how to submit it. Chapter 4 outlines the proposal review and selection process and criteria.

> **The Objectives of the CALFED Bay-Delta Program**
>
> **Ecosystem Quality**. Improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species.
> **Water Supply**. Reduce the mismatch between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta system.
> **Water Quality**. Provide good water quality for all beneficial uses.
> **Levee System Integrity**. Reduce the risk to land use and associated economic activities, water supply, infrastructure, and the ecosystem from catastrophic failure of Delta levees.

The information in this PSP is similar to past solicitations. The following list summarizes features pertinent to this PSP.

- **Focused solicitation**. This package solicits proposals for projects that assist farmers in integrating agricultural activities with ecosystem restoration.
- **Eligible applicants**. Public agencies and qualified non-profit organizations are eligible to apply; individual farmers are not eligible. Chapter 3 describes eligibility requirements in more detail.
- **Web-based submittal.** The PSP website has been improved to provide clearer forms and easier uploading.
- **Proposal development tools.** Information is posted on a "Tools" toolbar at the proposal website to provide examples of projects that assist farmers in integrating agricultural activities with ecosystem restoration, conceptual models, monitoring, performance measures, and other topics.

Background

The Program is a cooperative effort of more than 20 State and Federal agencies with management and regulatory responsibilities for the San Francisco Bay, Sacramento-San Joaquin Delta, and their tributaries and watershed. In 2003, a new law created the California Bay-Delta Authority (Authority) that is charged with ensuring that programs and policies are carried out as described in the CALFED Bay-Delta Program Programmatic Record of Decision and the Final Programmatic Environmental Impact Statement/Impact Report (ROD and PEIS/EIR, respectively). The Authority coordinates the activities of numerous implementing agencies to promote balanced implementation of activities that meet the goals and objectives of the Program. The Authority is also authorized to disburse funds in the form of grants. (See Water Code, §§ 79420(a)(6); 79421(j).)

There are 11 program elements in the Program; this PSP is for the ERP. The agencies responsible for implementing the ERP are the California Department of Fish and Game (DFG), the U.S. Fish and Wildlife Service (USFWS) and NOAA Fisheries Service. These agencies are in year six of the first seven years (Stage 1) of carrying out the 30-year plan laid out in the ROD and PEIS/EIR.

ERP goals. The ERP seeks to improve and increase aquatic and terrestrial habitats and to improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species. The ERP has six strategic goals:

- Recover endangered and other at-risk species and native biotic communities.
- Rehabilitate ecological processes.
- Maintain or enhance harvested species populations.
- Protect and restore habitats.
- Prevent establishment of and reduce impacts from non-native invasive species.
- Improve or maintain water and sediment quality.

Guiding documents. Project proponents unfamiliar with the ERP goals and objectives are encouraged to review the documents that guide the ERP's activities. In addition to the ROD, you may need to review the *ERP Strategic Plan*, the *Ecosystem Restoration Program Plan Vol. I (Ecological Attributes of the San Francisco Bay-Delta Watershed)* and *Vol. II (Ecological Management Zone Visions)*, and the *Multi-Species Conservation Strategy* (MSCS). The ERP's *Draft Stage 1 Implementation Plan* describes how the ERP will implement these longer term plans during the Program's first seven years (2000-2007). The Reinitiation of Consultation documents, sometimes referred to as the "milestones assessment," in which ERP implementing agencies assessed progress on the milesones developed as part of the Program's ROD, may also be helpful to review. All of these documents provide useful background on the visions and goals of the ERP. The current solicitation seeks to address these goals through the priorities listed in Chapter 2. All documents are available at http://calwater.ca.gov.

This PSP addresses ERP's strategic goals. The Program, including the ERP, is currently undergoing review to ensure consistency with the Program's founding vision; although this process may result in some readjustment of activities, the ERP and the Program are committed to the priorities set out in this PSP.

Solicitation Priorities

This solicitation is for projects that assist farmers in integrating agricultural activities with ecosystem restoration. The focused solicitation originates from section 79550 (e) of Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. That section states that "not less than twenty million dollars ($20,000,000) shall be allocated for projects that assist farmers in integrating agricultural activities with ecosystem restoration."

Proposed priorities were prepared by Authority staff, DFG, USFWS, NOAA Fisheres Service, and other CALFED agencies. These priorities also reflect the findings from the 2004 "milestones assessment," and focus on benefits to anadromous fish and other wetland dependent species that can be addressed through agricultural management activities. These priorities reflect significant stakeholder input from the Bay-Delta Public Advisory Committee's (BDPAC) Working Landscapes Subcommittee. On August 10, 2005, the full BDPAC recommended that the PSP guidelines (including the priorities, criteria and timeline) be adopted, and on August 11, 2005, the Authority adopted a resolution authorizing the CBDA Director to develop and release a solicitation based on the guidelines.

Funding Sources for this PSP

Approximately $9 million is targeted initially for this focused solicitation, reflecting the Proposition 50 funds that have been appropriated to the Authority for these purposes. ERP anticipates that up to $17.9 million total in grants for integrating agricultural activities with ecosystem restoration will be made available in 2005-2007, consistent with the ERP's Draft Multi-Year Program Plan (MYPP) for Years 6-9. Other funding sources, if available, may also be used to fund projects submitted under this PSP.

Chapter 2 – Priority for this Proposal Solicitation Package: Projects that Assist Farmers in Integrating Agricultural Activities with Ecosystem Restoration

What is in this chapter?

This chapter describes the kinds of projects for which proposals are being solicited and lists desirable project features.

What kind of projects are priorities?

This solicitation is for projects that assist farmers in integrating agricultural practices with ecosystem restoration. Priority projects will address ERP goals in a way that is scientifically rigorous and which can be used to support future projects seeking to enhance ecosystem restoration in an agricultural landscape. Projects may address one or more of the following priorities:

- **Projects that contribute to understanding the relative effectiveness of different conservation-based farming practices and systems, and their contribution to larger restoration efforts.** Such projects can include targeted research and pilot scale demonstrations of practices that integrate agricultural activities with ecosystem restoration. Topics for further study include assessments of: (1) economic, agronomic, social, and environmental benefits and costs associated with agricultural activities benefiting wildlife and fish, (2) assessments of locations within the ERP focus area where agricultural practices can provide the greatest benefits to wildlife and fish, and (3) assessments of potential effects of adopting these practices on a large scale.

Integrating Agricultural Activities with Ecosystem Restoration: Agricultural Activities Benefiting Wildlife and Fish

"Wildlife Friendly Agriculture" is one of the tools outlined in the Ecosystem Restoration Program Plan to restore the health of the Bay-Delta ecosystem.

Previously-funded ERP wildlife friendly agriculture projects are summarized in CALFED's 2004 annual report. Those projects have benefited wildlife on working agricultural lands by: providing incentives and technical assistance to landowners to voluntarily implement conservation-based farm management; underwriting conservation easements and other transactions that maintain land in private ownership while protecting habitats; supporting fish-friendly irrigation systems; and supporting planning. You can find examples of ERP's projects that assist farmers in integrating agricultural activities with ecosystem restoration on the solicitation website.

This PSP prioritizes agricultural activities such as best management practices that benefit MSCS-covered species (see "What is a MSCS-Covered Species?" sidebar). It also prioritizes projects that remove barriers to habitat enhancements in agricultural lands; use conservation easements; and expand the knowledge base regarding integrating agricultural activities with ecosystem restoration.

These PSP priorities, which have been recommended by the BDPAC and adopted by the Authority, have been drafted by an interagency team and reflect significant input from stakeholders. They recognize the essential role of farmers working in concert with local organizations and cooperating agencies to undertake habitat-beneficial practices on working lands. The ERP funds are intended to support landowner-friendly, partnership based, and scientifically credible projects.

- **Projects that develop and implement agricultural activities that benefit MSCS-covered species.** Projects should provide financial and technical assistance to implement activities benefiting species for which the CALFED MSCS goal is "recovery" or "contribute to recovery." Activities should enhance habitat, restore ecosystem functions, or reduce ecosystem stressors. Agricultural management practices or enhancement activities that are anticipated to address the objectives of this solicitation are outlined in Table 1.

- **Pilot scale implementation and research projects that conserve giant garter snakes (GGS) and assess how water transfers from croplands affect wetland dependent species.** Projects should assess the impacts of cropping patterns and crop idling/shifting on GGS, or demonstrate the efficacy of conservation practices on GGS and other wetland dependent species. Agricultural management practices or enhancement activities that are anticipated to address the objectives of this solicitation are outlined in Table 1.

- **Projects that facilitate permitting or regulatory assurances that support agricultural activities benefiting MSCS-covered species.** Projects should: coordinate/assist landowners with acquisition of restoration permits; develop regulatory assurances (such as "safe harbor" agreements and biological evaluations/opinions); or develop good neighbor policies that underpin agricultural activities benefiting species with MSCS goals of "recovery" or "contribute to recovery" in an agricultural landscape.

What is an MSCS-Covered Species?

The MSCS outlines species for which the CALFED program could reasonably be expected to undertake all or most of the actions necessary to recover the species, and other species for which CALFED will make specific contributions toward recovery. Species that fall into these two categories (known as "R" and "r," respectively), generally are referred to as "MSCS-covered Species" in this document and are priorities for the Program and for this solicitation. As indicated by the solicitation priorities and the priority practice categories contained in Table 1, the highest priority species for this solicitation are:

- MSCS-covered species including native anadromous and estuarine fish such as Sacramento River winter-run Chinook salmon, Central Valley fall-/late-fall-run Chinook salmon, Central Valley spring-run Chinook salmon, Central Valley steelhead, delta smelt, and Sacramento Splittail.

- Other "R" species such as the Valley Elderberry Longhorn Beetle

- The Giant Garter Snake and other MSCS-covered wetland dependent species potentially impacted by water transfers.

Other "R" or "r" species that could be potentially benefited from agricultural enhancements include, but are not limited to, bank swallow, California yellow warbler, little willow flycatcher, greater sandhill crane, Least Bell's vireo, Swainson's hawk, and Western yellow-billed cuckoo.

- **Projects that protect farmland that benefits MSCS-covered species and provide a buffer for restored habitats from adverse effects of encroaching incompatible development**. Projects should secure long term protection (using easements, acquisitions, or management agreements) of agricultural lands that buffer important habitat areas from incompatible land uses while continuing agricultural practices beneficial to wildlife and fish with MSCS goals of “recover” or “contribute to recovery” on those protected lands.

Geographical focus

The geographical priorities listed below for the solicitation consist of (1) priority areas identified for conservation actions in the draft Recovery Plan for the giant garter snake, and (2) other priority areas identified in documents including the *Ecosystem Restoration Program Plan*, the *MSCS* and the *MSCS “milestones assessment*,” the *Draft Stage 1 Implementation Plan*, and other documents, including Recovery Plans for applicable MSCS species. Proposals that integrate agricultural activities with ecosystem restoration in these areas are priorities for this solicitation. Proposed projects in areas other than those listed below will also be considered where integrating agricultural activities with ecosystem restoration could benefit MSCS-covered species and contribute to ecosystem restoration consistent with the ERPP and MSCS.

Priority Areas for Projects that Assist Farmers in Integrating Agricultural Activities with Ecosystem Restoration

- Sacramento River between Keswick Dam and Verona
- Cosumnes River
- North Delta
- Yolo Basin
- Tuolumne River
- Merced River
- West San Joaquin Basin (including the San Joaquin River between Gravelly Ford and Vernalis)
- Napa River, and
- Petaluma River

Priority areas for the giant garter snake:

- Butte Basin
- Colusa Basin
- Sutter Basin, and
- American Basin

Table 1: Priority Management Practices, Descriptions, and Benefits

The table below links categories of management practices with associated ecosystem, species and agricultural benefits. This list is for reference only, highlighting management practices that are anticipated to address the objectives of this solicitation; actual project descriptions – including specific practices/treatments proposed, and estimated benefits – should be determined and described on a project-specific basis. Applicants should also include specific references to supporting technical manuals (such as USDA's Field Office Technical Guide).

Practice	Description	Ecosystem benefit & landscape attributes	Potential species benefits	Potential agricultural benefits
Semi-permanent wetlands and shallow water areas for wildlife	Seasonally flood wetlands to provide habitat.	Restore fresh emergent wetlands, seasonal wetlands, other floodplain habitat. Support a mix of seasonal and permanent wetlands and associated uplands; prioritize at risk species.	Giant garter snake and other wetland dependent species	Provide waterfowl habitat; potential income diversification through hunting. Reduce financial liability of cropping on marginal lands.
Post harvest flooding	Flood active cropland following harvest to provide habitat.	Support a mix of seasonal and permanent wetlands and associated uplands; prioritize at risk species. Seasonally (post harvested) flooding of agricultural fields to provide wetlands benefits for special status species requiring shallow-water habitat.	Giant garter snake and other wetland dependent species Sacramento splittail and other native estuarine and anadromous fish	Provide waterfowl habitat; potential income diversification through hunting. Help break down stubble and speed decomposition of crop residue. May contribute to groundwater recharge. May help control weeds; may contribute nutrients.
Tailwater return ponds/habitats	Construct earthen pond that collects runoff irrigation water or other winter runoff water and provides habitat.	Encourage farming practices that favor wildlife and reduce the runoff of pollution to nearby waterways. Support a mix of seasonal and permanent wetlands and associated uplands; prioritize at risk species.	Native estuarine and anadromous fish Giant garter snakes and other wetland dependent species	Potential for topsoil recovery and reuse. Achieve water quality benefits/meet requirements. Potential to reduce ditch maintenance. Provides stored water.
Irrigation management	Manage irrigation water to provide benefits for wildlife and fish. Design and install efficient irrigation systems to benefit water quality.	Encourage farming practices that favor wildlife and reduce potential water quality impairments from runoff.	Giant garter snake and other wetland dependent species Native estuarine and anadromous fish	Water conservation, reduced expenditures for irrigation water. Achieve water quality benefits/meet requirements

Erosion control	Design and install practices that control soil erosion into waterways.	Reduce loadings and concentrations of toxic contaminants in all aquatic environments in the Bay-Delta and watersheds. Reduce fine sediment loadings from human activities into rivers and streams to levels that do not cause adverse ecological effects.	Native estuarine and anadromous fish Giant garter snake	Conserve topsoil Achieve water quality benefits/meet requirements.
Integrated pest management	Develop and implement an IPM program that provides local habitat benefits.	Provide water quality improvements through reduced inputs of fertilizers, insecticides, herbicides. Provide wildlife benefits through reduced exposure to fertilizers, insecticides, herbicides.	Water quality benefits for native estuarine and anadromous fish Reduce pesticide impacts on valley elderberry longhorn beetle	Reduced herbicide, equipment and labor costs.
Riparian and floodplain restoration in agricultural landscape	Install and manage native riparian vegetation, including planting and establishment, weed control and potentially fencing to establish and promote the establishment and protection of riparian vegetation.	Restore expanses of riparian habitats and sufficient connectivity among habitats in the Central Valley.	Native estuarine and anadromous fish Valley elderberry longhorn beetle Giant garter snake	Achieve water quality benefits/meet requirements. Help reduce crop losses due to flooding. Potential income diversification through hunting.
Vegetated filter strips, hedgerows and other wildlife buffers including ditch bank plantings and maintenance.	Establish permanent perennial vegetation on borders of farmed fields, including along irrigation ditches or levee slopes. Alter ditch maintenance schedules to benefit habitat.	Manage agricultural lands in ways that are favorable to birds and other wildlife. Provide multiple benefits including erosion control, wildlife habitat, water infiltration, and pest control.	Valley elderberry longhorn beetle Giant garter snake Native anadromous and estuarine fish	Reduce expenses related to weed maintenance on farm edges. Attract beneficial insects, including native pollinators. May stabilize soil, and in the case of ditch plantings, reduce maintenance costs.
Altered cropping or harvesting patterns, set-aside fields, cover cropping.	Apply one of several techniques – changed cropping patterns, delayed harvest, fallowing, set aside fields – that provide habitat benefits.	Manage agricultural lands in ways that are favorable to birds and other wildlife.	Giant garter snake and other wetland dependent species requiring upland cover	May provide game habitat and hunting opportunities.

Other desirable project features

- Matching funds: While matching funds are not required, priority project proposals that can demonstrate they are using Program funds to leverage Federal, State and other conservation funds – particularly funds available to growers pursuant to the U.S. Department of Agriculture's (USDA) Farm Bill conservation programs – have a greater likelihood of being selected over projects that do not have matching funds. Projects that encourage the investment of private funds, or use market mechanisms that capitalize on ecosystem benefits have a similar advantage. Projects should seek to cover as much as half of their overall project costs through other programs or mechanisms that include both cost-share dollars that are specifically committed to the project and matching funds that are allocated to individual farmers consistent with project goals (see also "Cost-Share vs. Matching Funds" sidebar in Chapter 3).

- Durable projects: Projects that can demonstrate benefits to species on a long-term basis are priorities. This means if you can describe the long-term benefits of the project to MSCS-covered species, your project has a greater likelihood of being selected over a project that is limited to short term benefits. In general, this will require applicants to provide evidence – such as enforceable agreements – that investments will be sustained long enough to provide a demonstrable benefit for targeted species. An example of a durable project would be management activities on land protected by a conservation easement.

- Appropriate scale. Priority projects are those that address ecosystem restoration goals on a scale commensurate with the proposed ecological restoration objective – such as multiple landowners addressing a common resource concern on adjacent properties. This means if your project can provide benefits on a larger scale (e.g., 500 acres rather than 15 acres) it is likely to be more desirable. Examples of projects that could be of an appropriate scale include implementing a watershed management plan, implementing a Coordinated Resource Management and Planning effort, or developing and implementing a Conservation Reserve Enhancement Program.

Why highlight conservation of the Giant Garter Snake?

The giant garter snake (GGS) is one of several species that can benefit from agricultural practices that are integrated with ecosystem restoration. The GGS is listed as threatened under both the Federal Endangered Species Act and the California Endangered Species Act. Because the giant garter snake is also an "r" species in the MSCS, the ERP has committed to implementing some of the actions deemed necessary to recover the species' population within the MSCS focus area.

The draft recovery plan for GGS (USFWS 1999) determined that ricelands, associated waterways, and adjacent uplands provide the most important agricultural habitat for the giant garter snake. Therefore, cooperation from private landowners and entities is necessary to help ensure recovery of this species.

Because giant garter snakes share habitats with other sensitive species, conservation efforts (if they are properly located and designed) that help recover the giant garter snake can also benefit other sensitive species. Although the GGS is being highlighted in this PSP, it is anticipated that many restorations actions that benefit GGS will also have a positive effect on other sensitive species.

- Locally-based partnerships that benefit private landowners: Priorities are for projects that rely on local collaborations of multiple entities such as Resource Conservation Districts (RCDs), universities/agricultural extension, the USDA, farm organizations, community groups, and other non-governmental organizations that can harmonize ERP goals with agricultural practices and local economic sustainability. Projects should directly support, to the maximum amount possible, the conservation work of landowners or farm operators. This means that if you can demonstrate the active involvement of local partners, your project has a greater likelihood of being selected over a project that is designed and implemented by a larger non-local agency (see also "Collaborative Projects" sidebar in Chapter 3).

No one project is expected to have all these attributes. Projects should seek to incorporate those attributes consistent with the proponents' needs and capabilities.

Integrating Agricultural Activities with Ecosystem Restoration through Adaptive Management

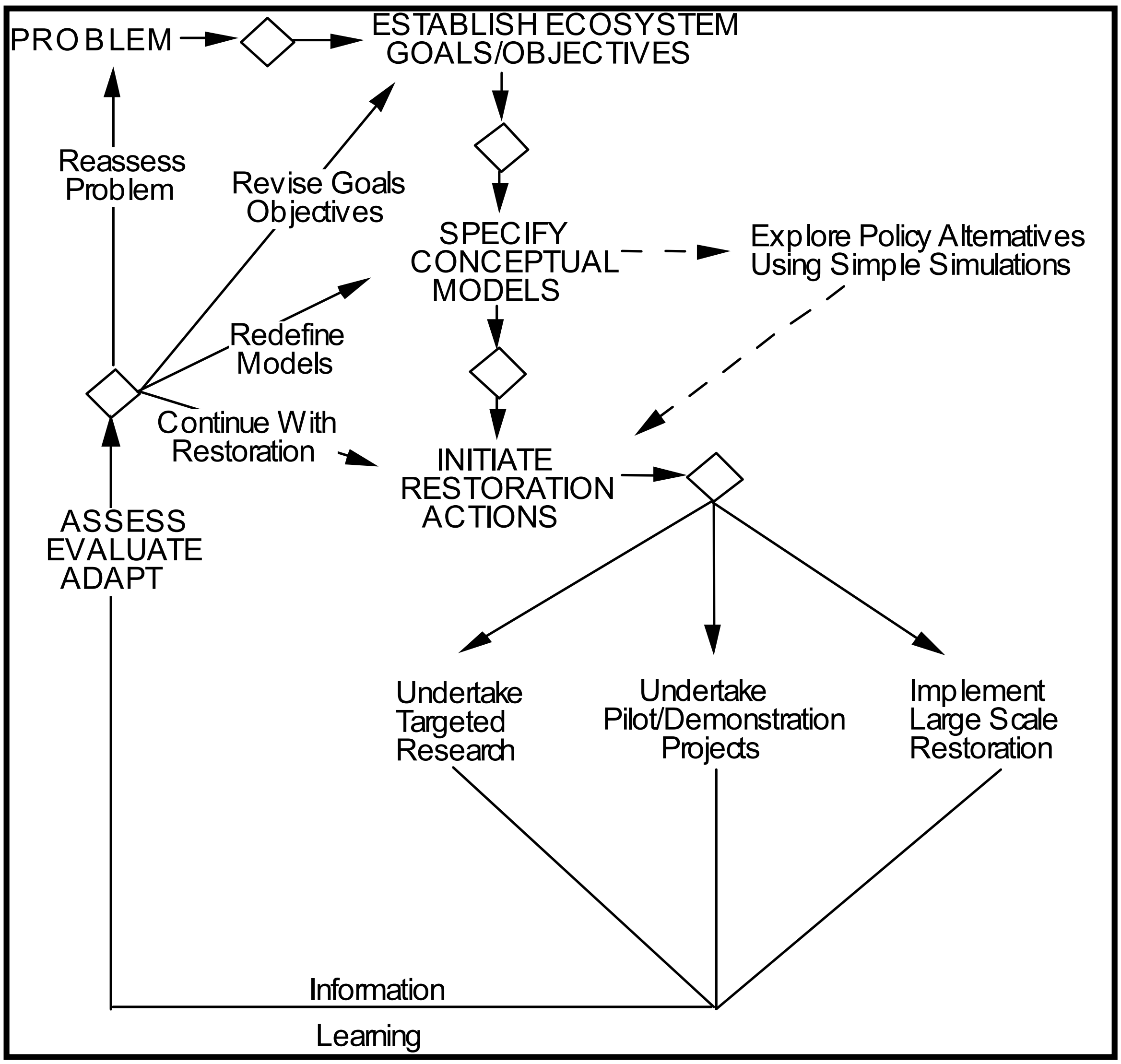
Adaptive management is a foundation of the Program. In the ERP, adaptive management means managing natural systems to ensure improvement or recovery, while increasing our understanding of how those systems work. Future management actions can then be revised or refined in light of information generated from previous actions and activities.

Adaptive management begins by defining the problem to be addressed and selecting goals and objectives for your action. Your understanding of how the agricultural system and ecosystem that are the subject of your project operate is documented in a "conceptual model" that describes what is known about the system and lays out your assumptions about it, describes uncertainties, and proposes hypotheses that your project will test.

If the level of uncertainty is very high, you may need to begin with research to learn more so you can more confidently assess whether your project will achieve its objectives. If uncertainties about how the system works are fewer, a pilot project that tests hypotheses about how the agricultural management or restoration actions may turn out could be appropriate. Full scale implementation is best when prior research and pilot scale projects make you reasonably confident of achieving your project's agricultural and ecosystem restoration objectives.

Because each project is conducted as an experiment, monitoring to assess results and evaluate assumptions and hypotheses is essential. Such monitoring provides information that is the basis of the adaptive management process. When monitoring results are reported, future projects can build on experience gained from recent actions. Figure 1 shows the adaptive management process.

Figure 1. Adaptive Management Process



Chapter 3—The Proposal and its Submittal

What is in this chapter?

In this chapter you will find information to help you determine your eligibility to submit a proposal, to consider if you want to apply for an ERP grant, what your proposal needs to contain, how to submit your proposal using the PSP website, and the deadline for submission.

Who may apply?

Any public agency or a nonprofit organization as defined in Water Code Section 79505(g) and capable of entering into a grant agreement with the State or Federal government may apply. This includes, but is not limited to: (1) local agencies; (2) private nonprofit organizations, as statutorily defined; (3) tribes; (4) universities; (5) State agencies; and (6) Federal agencies. Water Code Section 79505(g) defines a nonprofit organization as a nonprofit corporation formed pursuant to the Nonprofit Public Benefit Corporation Law (Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code) and qualified under Section 501(c)(3) of the United States Internal Revenue Code. Individual farmers, private for-profit entities, and nonprofits formed pursuant to other statues or qualified under other tax code provisions, are not eligible to receive funds from Proposition 50, the primary fund source for this PSP, and should not apply.

Some Legal Considerations

Conflicts of Interest. All applicants and reviewers are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the proposal being rejected and/or any subsequent grant agreement being declared void. Other legal action may also be taken. Accordingly, before submitting a proposal, applicants are urged to seek legal counsel regarding potential conflict of interest concerns that they may have and requirements for disclosure. Applicable California statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411.

State and Federal Agencies. Applicants should also be aware that certain State and Federal agencies may submit proposals that will compete for funding. Employees of State and Federal agencies may participate in the review process as reviewers or panelists. All individuals who participate in the review process, however, are subject to conflict of interest laws and rules as set forth in Attachment 1.

Public Information. All proposals will become public information once the solicitation has closed and CALFED Bay-Delta Program staff has determined that they have abided by the mandatory submittal requirements. After the proposal due date has passed, all complete applications will be available for viewing on the CALFED Bay-Delta Program ERP web site. By submitting a proposal, the applicant agrees to waive any right to confidentiality of the proposal. After the Selection Panel's initial recommendation is made public, reviews from all levels of the review process will be available to the public. Proposals may be reviewed and discussed by members of the public.

Grant Agreements. California's law governs grant agreements entered into upon award of project funds. The venue for settling any disputes that may arise as a result of these grant agreements entered will be in Sacramento County, California. Applicants seeking to utilize matching funds from other State or Federal programs will be responsible for ensuring that other statutory requirements or prohibitions are addressed.

Can you meet these requirements?

ERP grants may not be well suited to every applicant seeking to integrate agricultural activities with ecosystem restoration. The grant proposal and review process is rigorous and time consuming. Those awarded grants must meet statutory grant agreement requirements, carefully manage funds and subcontracts, and report regularly and accurately on their progress. The first thing you need to ask yourself is, can I meet these requirements?

Answering yes to this question means you are willing to complete a detailed proposal (including forms, descriptive text, and a one to three year budget in addition to other items). The ERP proposal process is a scientific approach that includes monitoring and adaptive management (see Chapter 2); proposals must also keep Program objectives in mind. Your proposal will undergo a rigorous review; and you should be prepared to consider amending your project as indicated in the reviews and comply with all California laws, especially grant agreement conditions and environmental regulations. Also, you may need an interim source of funds to maintain cash flow since California typically reimburses funds only in response to invoices for work already completed. The willingness and ability to comply with California law is essential, even for proposals that also will be using Federal funding sources. These requirements are spelled out in this chapter, and are further detailed in Attachments 2 and 3 and in the on-line forms that all applicants must complete.

What does your proposal need to contain?

Your proposal needs to contain completed project application forms, the proposal text, and any attachments. Successful proposals are those whose proponents thoroughly and accurately complete the application forms and follow the prescribed format for the proposal text.

Quick Checklist of Forms

- Project Information and Executive Summary
- Environmental Compliance Checklist
- Land Use Checklist
- Personnel
- Conflict of Interest
- Tasks and Deliverables
- Budget
- Proposal Text Form
- Signature Page

Proposal Forms. The forms are available online at https://solicitation.calwater.ca.gov. All forms must be completed for your proposal to be considered for funding. The forms are listed below, followed by a brief description of the information necessary to complete them.

*Project Information and Executive Summary***.** This form gathers basic information about the applicant, the project, and its location, and requires you to insert an Executive Summary for your project. The Executive Summary needs to be a concise and informative stand-alone description of your proposed project, about one page. It must include a brief description of your proposed project, including location; objective; the project type (targeted research, pilot/demonstration, full-scale implementation, acquisition); objective; the approach to implement the objective; expected outcomes; and the relationship to the goals of the ERP.

Environmental Compliance Checklist. This checklist describes your environmental compliance needs. These may include permits required to undertake restoration activities, handle wild plants or animals, or use public lands or waters. Environmental compliance is your responsibility, so determining your needs will help you budget and plan for any permits, assessments, or reports that may be necessary to complete your project successfully. In many cases environmental compliance costs can be included as part of your project proposal (one of the solicitation's priorities is funding environmental permit coordination that directly leads to ecosystem restoration on agricultural lands).

All projects must comply with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). Because funding for your project could come from either State or Federal sources, you should determine the environmental compliance obligations under both NEPA and CEQA. Many projects may not require any documentation; others may need to complete project specific environmental assessment/initial study or environmental impact statement/report. Projects funded through this PSP that tier off the CALFED Programmatic EIS/EIR must incorporate applicable mitigation strategies described in the ROD to avoid or minimize the project's adverse environmental impacts and appropriate conservation measures to avoid impacts to at-risk species, as identified in the MSCS. Other environmental regulations, such as Federal and State endangered species laws, must be complied with fully.

Further guidance is available in *The Guide to Regulatory Compliance for Implementing CALFED Activities*, available at http://calwater.ca.gov/CALFEDDocuments/GuideToRegulatoryCompliance.shtml

Land Use Checklist. This checklist provides CALFED Bay-Delta Program agencies accurate land use information. The information is used to determine if a project will change land use and whether it conforms to local land use plans and ordinances, and other items. Most projects that integrate agricultural activities with ecosystem restoration are not anticipated to change land uses.

Personnel. The personnel form provides information on the principal and supporting project participants, including consultants, subcontractors, and vendors. This information is linked to, and supports other forms, including the Conflict of Interest, Budget, and Tasks and Deliverables forms.

Conflict of Interest. This form assists the ERP in assigning reviewers to avoid conflicts of interest between applicants, co-applicants, or subcontractors and reviewers (see "Some legal considerations" sidebar and Attachment 1).

Tasks and Deliverables. List major tasks, key deliverables and the time to complete them (in months from the date the project's grant agreement is executed).

Budget Summary. Your proposal must include a detailed budget that shows the amounts proposed for each task for each year of the project. You must download the spreadsheet form and use it to identify all budgeted costs related to each task listed in your proposal. Budgets should include amounts sufficient to comply with the Requirements for Funded Proposals listed in Attachment 2. Also identify other funding commitments, including both cost share and other matching funds on the budget form's summary sheet (see "cost share and other matching funds" sidebar). Projects can be multi-year efforts, but for this solicitation proposal, timelines and budgets must not exceed three years. Your proposed budget must be commensurate with the expected benefit and effort to complete the work. Upload your completed copy of the budget form provided in a .PDF format at the solicitation website.

Proposal Text Form. This form allows you to upload the .PDF document of your proposal text (described below) to the PSP website.

Signature Page. Your proposal will not be considered complete until a signature page is received. The signature page must be signed by a representative of your organization or agency who is authorized to enter into a contractual agreement with the State of California. Print this page from the website, sign it, and fax to the number listed on the form by proposal submittal deadline**.** (Other information faxed to the helpline will not be considered and will be discarded.) This page is used to verify that you intended to submit your proposal and that you agree to the conditions of the grant solicitation and review process.

Proposal Text. Your proposal should follow the outline below.

A good strategy in preparing your proposal is to look at the requirements and criteria for project selection listed in Chapter 4 of this PSP before writing your proposal. Your proposal will be evaluated against these criteria and reviewers will want to see how the proposal addresses them, so you may want to refer to them as you write the proposal.

Proposal development tools

The following resources will be available on the PSP website to assist you with proposal development.

- Links to ERP guiding documents and other background resources
- Essays on conceptual models, performance evaluation, and monitoring.
- A summary of selected examples of ERP agricultural projects that benefit wildlife and fish
- *Farming for Wildlife*, a report by the California Department of Fish and Game.

A. Project Description. This is the first section of your proposal. Thoroughly and accurately address the subsections covered below.

1. Problem — Describe the problem that your project is designed to address. The description should address both ecosystem and agricultural management problems if appropriate. Cite relevant studies or other information that documents the problem, and the ways this problem has been addressed at the project location or elsewhere. Describe the project's physical setting, with maps or photographs if appropriate.

2. Goals and Objectives — Clearly state the goals and objectives of your project. Goals are ecosystem restoration goals, and objectives should be tangible and measurable, so progress towards achieving them can be assessed. Project objectives should address the problems identified above, and should describe how the project will assist farmers in

integrating agricultural activities with ecosystem restoration. Describe how the objectives of your project link back to or complement larger ERP goals and ecosystem restoration efforts.

3. Conceptual model — Provide a conceptual model that describes the interconnections among the key ecosystem and agricultural system components relevant to the action(s) that you propose. The model should show your hypotheses regarding the cause and effect relationship between the agricultural management action(s) or restoration activities proposed in your project and expected ecosystem outcomes. In your conceptual model, describe how the key components of the ecosystem respond to stressors and how your project would change that response. These expected cause and effect relationships should inform your selection of performance measures that you propose for your project. You may need to show more than one conceptual model to convey how you think the response could change. Models should be based on the best current information, and should clearly identify any uncertainties. Models can be presented graphically or as a narrative.

What is a conceptual model?

The following analogy may be helpful:

> Remember your high school algebra teacher telling you that it was not enough to come up with the correct answer, but that you had to "show your work" too?

That is what conceptual models are like. It is "showing your work" by describing how you think your ecosystem operates and how agricultural activities can be integrated with ecosystem restoration. How much of this do you know, and how much of it is just a well-informed guess? What information and assumptions about your ecosystem did you use to come up with your model?

More information on conceptual models is available at the PSP website: http://calwater.ca.gov/Solicitation/ERP_Solicitation.shtml

4. Approach and Scope of Work — Describe the approach you will undertake to address your project's objectives. Include specific information about methods and techniques, equipment and facilities, data collection, statistical analysis and quality assurance procedures as applicable.

Provide narrative detail about the tasks, deliverables, and schedule listed on the Tasks and Deliverables form. In this narrative, include project management and public involvement and outreach along with other key tasks. These tasks should be supported by your conceptual model. Provide an annual time line that identifies when benchmarks will be accomplished. This section can describe more fully, if needed, the schedule outlined in the Tasks and Deliverables form.

Clearly indicate which tasks are contingent upon other tasks and which tasks can be done separately; this information is necessary in case only part of the project is funded. Elaborate on expected deliverables that your project will produce and submit. Deliverables should report on the status of outcomes, and may include reports describing specific habitat improvements and agricultural benefits. Deliverables can also include presentations, workshops, seminars, educational programs, and publications, depending on your project type. This section should fully describe the proposed deliverables you list in the Tasks and Deliverables form.

5. Performance Evaluation — All proposals must include a plan for project performance evaluation. For agricultural management or restoration projects, the performance evaluation plan is often called a *monitoring plan*.

For most types of projects, success is determined by measuring activities, outputs, or outcomes. Your plan must include a list of representative, project-specific performance measures that you will be using to assess how well the agricultural management actions or restoration activities you propose to undertake are achieving your project's goals and objectives. Performance measures will differ based on your project type and the restoration or management actions(s) you propose. The rationale for selecting performance measures should be derived from your conceptual model. Your proposal should include enough detail that the reviewers can determine if the performance measures and evaluation plan are likely to accurately assess the project's success.

Examples of performance measures:

- Number of acres or farms applying management practices
- Acres of riparian buffers planted, and acres established
- MSCS-covered species abundance or distribution change in response to project
- Number of growers applying and monitoring improved habitat management techniques
- Funds cooperatively invested

Explain the criteria you will use to test your hypotheses, and how your project's experimental design may change, if necessary, as data are gathered and synthesized, in order to periodically refocus testing of your previous hypotheses or of new hypotheses that you develop based on information that you gather. (This is the adaptive management approach.)

6. Feasibility — Show how your proposed project is both feasible and appropriate for the proposed work. Demonstrate how the work you've outlined in your proposal can be completed within no more than three years given reasonably foreseeable constraints (e.g., planting/harvesting seasons and other grower needs, commodity markets and weather conditions). Thoroughly address any contingencies or requirements such as dependence upon the outcome or timing of other projects or programs, upon natural or operational conditions, and on environmental compliance or permitting processes.

Explain what permits or agreements are necessary to complete the tasks in your proposal (see the Environmental Compliance Checklist). Explain the current status of each permit or agreement, as well as any other constraints that could impact the schedule and your ability to complete your project. How might zoning laws or other local ordinances, Williamson Act contracts, or other land use restrictions affect your proposed project?

If your proposed project will be carried out in concert with other programs (e.g., farm conservation programs), describe how project management decisions will be coordinated and how technical and financial resources will be made available to carry out program tasks. As applicable, identify the financial impact on your proposed project should other programs fail to receive funding. Identify specific programs that your project will work with and include a detailed description of how proposed project activities are covered under those programs (e.g., which proposed practices are eligible for funding, and whether those practices are priorities for the identified program). Describe your history of working with the programs you identify. Include a discussion of how timing, disclosure requirements and other factors may present barriers and discuss contingencies for overcoming these barriers.

Many projects are likely to involve physical actions on private property or privately-managed lands (planting vegetation, grading/contouring, installing or reconfiguring irrigation infrastructure); therefore, project proponent access to the property will be necessary. For projects that require such access, you must provide written permission from the property owner. If the specific locations of activities have yet to be determined, you will be required to describe your efforts to secure access and appropriate permissions. Shortly after you are notified of the grant's approval, you must provide written permission from the property owners. Failure to secure written permission from the property owner could result in your project being disqualified.

Explain whether you anticipate that your overall project will need to extend beyond the maximum three-year duration of ERP grant agreements. For example, your proposed management activities or practices may need to be in place for five years before species or ecosystem benefits could be determined or monitoring after three years needs to be continued to adequately understand the project's effects.

Identify any third party impacts that may result from your proposal and the principal measures proposed to mitigate them.

Identify any other issues that may affect your ability to carry out your proposal. Describe how you will resolve those issues.

7. Data Handling and Storage — Describe how you will handle, store, and share the data and other information generated by your project.

8. Information Value — Clearly state how your project will increase the knowledge base relating to the integration of agricultural activities with ecosystem restoration, and how that knowledge may be applied in other ecosystems, other crops, or cropping systems. For example, you could describe the applicability of your conceptual model to other problems or agricultural systems, or discuss the contribution of your findings (if they address other farm conservation programs) to the efforts of the Conservation Effects Assessment Program (CEAP) of the US Department of Agriculture. Explain how this information will be useful to people who make decisions about managing both agricultural systems and ecosystems and how it will be shared with the ERP's implementing agencies and others.

9. Public Involvement and Outreach —Proposals must describe a plan for public outreach to groups or individuals that may be affected by the project. This plan should identify adjacent landowners, facility owners or operators, and others likely to be affected by management or restoration action(s) and discuss how you will address their concerns. In addition, the plan should identify other organizations (e.g., landowner and grower groups, environmental groups, watershed groups, conservancies) that have an interest in your project. Describe how you plan to keep these interested groups informed and engaged during the implementation of your project.

The adaptive management concept anticipates that groups and individuals may benefit from the knowledge gained by the project (see Information Value). You are encouraged to describe how you would communicate/share the results of your project with appropriate stakeholders and others. Examples of this include reports and presentations that the project produces, local meetings, or tours of agricultural operations undertaking enhancement activities.

Local Government, Commissions and Tribal Notifications

You are not required to send copies of your proposal to local entities at the time you submit the proposal to the ERP, but you are encouraged to coordinate with local entities early in the process. ERP staff will notify potentially affected cities, counties, and tribes of proposed actions, once all proposals have been received. After the initial proposals are selected, the ERP staff will notify appropriate local governments of recommendations about projects proposed within their jurisdiction. ERP staff also will notify tribal governments of restoration projects that are adjacent to or proposed on tribal lands. These entities have an opportunity to provide comment during the public review period. If a need to coordinate with local governments is identified, applicants will be asked to elaborate on their plans to carry out such coordination.

B. Applicability to CALFED Bay-Delta Program and ERP Goals, and priorities for this solicitation. In this section of your proposal, explain how the outcomes of your project relate to the goals and priorities of the ERP and the CALFED Bay-Delta Program.

1. ERP Priorities — Your proposal must specify how it addresses one or more of the priorities in Chapter 2 (including, if applicable, Table 1). Highlight whether the project will address habitat enhancements in priority areas identified in Chapter 2, how it will benefit one or more “R” or “r” species listed in the *Multi Species Conservation Strategy*, or the habitats, processes, or stressors that affect them. Explain which goals, objectives, milestones or priorities identified in ERP documents (including the *Draft Stage 1 Implementation Plan, Ecosystem Restoration Program Plan (Vol. I and II), and the MSCS, others)* will be addressed by the project.

2. Relationship to Other Ecosystem Restoration Actions or Program investments— Explain any relationship between your proposal and past ERP or other Program investments such as Water Use Efficiency or Central Valley Project Improvement Act (CVPIA) projects. Identify any synergistic, Program-wide benefits, including how your proposal complements projects or programs in other areas or within a watershed. An

example of a synergistic proposal is a project that assists farmers in fulfilling ecosystem restoration activities that have been previously identified in watershed plans.

3. Additional Information for Proposals Involving Land or Easement Acquisition — This PSP does not contain priorities that are expected to remove agricultural land from production, however, land acquisition is possible under this solicitation. If you propose to acquire land, easements, or other rights of way, your proposal must explain:

- Why your project activities cannot be conducted on existing public land or on a right-of-way secured without purchase;
- Whether you will be purchasing these lands from a willing seller;
- How your project is consistent with the applicable county or city general plan, or that it has the support of the applicable local government entities;
- Whether the land has been mapped as Prime, of Statewide Importance, or Unique Farmland, whether it is currently under a Williamson Act contract, (and if the proposed land use is consistent with the contract's conditions), and whether it will remain in agriculture or be converted to another use.
- Your expected process and timing for notifying interested members of the public and local governments;
- What other measures from the CALFED ROD have been undertaken to minimize the impacts on agricultural land (see ROD, Appendix A, page A-12 through A-14); and

Your proposal must also include preliminary management plans for all properties to be acquired, including an overview of existing conditions (including habitat types in the affected project area), the expected ecological benefits, preliminary cost estimates, and implementation schedules.

Collaborative Projects

If you want to collaborate with others on a project, it may be easiest to do so through a contractor-subcontractor relationship. Grant agreements will be made with only one eligible applicant, so the proposal needs to clearly state which applicant will sign the agreement. This organization will be responsible for payments, reporting, and accounting. Other collaborators in the project will typically be subcontractors to the lead applicant, but should be identified, if known, in the application forms and proposal text.

Your proposal must explain how the collaboration will work, including how decision-making authority and liability is to be allocated.

Your proposal must also identify the tasks that will be performed by the different entities.

The names of known subcontractors must be identified. When subcontractors are identified, explain briefly how they were selected, and why. ERP is aware that some subcontractors may not be known until after the proposal is selected for funding and subcontracts are put out for competitive bidding, as required by California State law.

You should include the estimated costs of subcontract work and any costs for managing subcontractors in your proposal.

Some collaborative projects may need separate contracts for some participants, especially State agencies, which often have difficulty accepting roles as subcontractors to non-State organizations. Separate interagency agreements may be used in those cases.

C. Qualifications and Organization.

Briefly describe how the participants identified in your Personnel form provide the range of experience and expertise in physical, agricultural, and environmental sciences or other applicable disciplines needed to integrate agricultural activities with ecosystem restoration consistent with your project. (If appropriate, highlight relevant field experience, completed projects, published reports, or other materials not adequately captured in the Personnel form). Specify individual roles and responsibilities for technical, administrative, and project management activities that are not described in the Personnel form. Describe the organizational structure for the staff and other resources. For projects using consultants or subcontractors, briefly describe how they were selected and why. A subcontractor role exceeding a quarter of the total project budget should be fully explained and clearly justified.

Describe to what degree collaboration will take place with other project participants. Highlight links between your project and (1) landowners, agencies or organizations carrying out or supporting on-farm conservation efforts in the area; (2) local, State and Federal agencies responsible for managing agricultural inputs (e.g., water) in the area; (3) agencies or organizations responsible for managing ecosystems in the area. If your project will be using resources from other programs (e.g., farm conservation programs), discuss your staff's background in working with those programs and highlight how these programs will be integrated at the project level.

In this section, discuss any potential problems regarding principal participants' ability to complete work within the projected timeline, and any conflicts of interest that cannot be satisfactorily described in the proposal forms.

D. Cost. There are three elements to this section: budget, cost-share and matching funds, and funding strategy.

1. Budget—Use the PSP website's budget forms to provide a detailed budget for each year of your proposed project. The budget detail does not need to be repeated in your proposal's text. Since funding may be awarded for only parts of a project, your proposal's text should explain which tasks could be funded separately.

2. Cost share and matching funds —Identify *cost-share funds* committed to your proposal. Also identify the partners providing those funds, and the status of these commitments (e.g., tentative approval, contract, etc.). Summarize any other information regarding these funds (such as specific dollar match requirements). Provide a citation verifying the level of commitment identified.

Describe *other matching funds* that cannot be directly committed to your organization, but which are committed to the objectives of your project in the project area (e.g., USDA farm conservation program funds). Describe the funding amount, partners, and status of these commitments (e.g., identified local priority, contracts being negotiated with landowners, etc.). Provide a citation verifying the level of commitment identified.

Both cost-share and other matching funds must be reported on your Budget Summary form, and the source of these funds should be clearly identified. Successful proposals identifying cost-sharing funds must have final commitments of those funds shortly after being notified that their proposal has been approved by ERP. Successful proposals identifying matching funds will be required to report on the status of those investments at the time of proposal approval and thereafter in their project reports. If you fail to secure the cost-share funds identified in your proposal, and as a result, have insufficient funds to complete your project, your award could be amended or terminated.

3. Long-term funding strategy – Describe plans for funding long-term implementation and monitoring, if necessary, after the term of the ERP grant for which you are applying.

E. Compliance with Standard Terms and Conditions.

Clearly state whether you are willing and able to comply with the terms of the sample ERP grant agreement template (see Attachment 3). Carefully review and make sure you understand the standard grant agreement terms. If you cannot agree to any standard clauses, you must disclose the disagreement in the text of your proposal and be prepared to offer alternative agreement language; otherwise the standard terms are considered to be non-negotiable. The funding agencies will review your disagreement and decide whether or not to alter the standard terms; the funding agencies reserve the right to refuse to alter any standard grant agreement language.

G. Literature Cited. All proposals must include a list

Cost Share vs. Matching Funds

As discussed in Chapter 2, matching funds are a desirable feature in proposed projects. In this solicitation, “matching funds” is used as a generic term, which includes cost-share funds and other matching funds that contribute to project objectives. Cost share funds are specifically dedicated to your project, and can include private grants or other Federal or State grants.

Other matching funds include funds that are generally not granted to entities eligible for an ERP solicitation, but which are put toward the objective of the project. For example, funds made available to farmers pursuant to the USDA’s suite of Farm Bill conservation programs can be considered “matching funds” for a project where those funds are invested consistent with project objectives in the project area. Previous ERP project proponents have worked with cooperating agencies and landowners to use ERP grant funds to provide technical assistance and cost share to install habitat features funded by these other sources, and have also used project funds to carry out appropriate maintenance, monitoring and adaptive management on such cooperatively-funded project components.

Both cost share and other matching funds can include “in-kind” services such as contributions of staff or materials. Both fund types also must be verifiable. All projects indicating such funds must identify the source of the match (e.g., the program) and list the appropriate agency representative to verify that funds and project support is available for such matching investments. During project review, you may be asked to provide written verification of the status of matching funds.

of references for all research studies, project reports, scientific reports or other supporting information cited in the proposal.

H. Nonprofit Verification. Nonprofit organizations must include proof of eligible nonprofit status, such as an Internal Revenue Service letter, in the PDF of your proposal document. Any additional pages for this purpose will not be considered part of the application's 20-page limit.

Proposal Format. Successful proposals will be well-written, accurate, and concise. This proposal process requires that your proposal be submitted electronically, using the process described below. There are some formatting considerations that you need to keep in mind:

Page limits. The proposal text should be no more than 20 pages, excluding literature cited, maps, photographs, figures, tables, or attachments. You may include attachments that assist reviewers with their evaluations; however, it is essential that you present all critical information in the body of your proposal.

File size. The PSP website includes links to tools to help you manage the size of the file containing the proposal text and any attachments. Please contact the helpline early if you anticipate submitting a file greater than 2 MB. Large files are difficult to upload and sometimes cannot be viewed readily by reviewers or others who lack high-speed Internet connections.

Format. Body text must be 12 point in a readable typeface; text in tables and figures must be no smaller than 10 point in a readable typeface. Headings must be at least 14 point, but no larger than 18 point, bold typeface, flush left. Page margins are to be between three-quarters and one inch on all sides. All proposal pages, including diagrams, must be readable when printed on 8.5 x 11-inch paper.

Submission Format. You must submit your proposal as a .PDF file.

Maps, Photographs, Figures, and Tables. Each map, photograph, figure, or table needs to be individually numbered and clearly titled. If you need help in incorporating these graphics into your proposal for submission as a .PDF, please ask for assistance through the helpline at (877) 408-9310 or by e-mailing help@solicitation.calwater.ca.gov

Page Numbering. Each page of the proposal needs to be numbered sequentially.

How do you submit your proposal?

Proposals to this PSP for projects must be submitted electronically through the web site (https://solicitation.calwater.ca.gov/) provided for this service. Proposals will be accepted through this web site beginning October 11, 2005. Hard copies of proposals will not be accepted.

If you need technical assistance please visit the PSP website's help page link. If you are unable to locate the information you need or require additional help, you can call our help line at (877) 408-9310 or e-mail help@solicitation.calwater.ca.gov. Special assistance is available through the help line to potential applicants without computers. The helpline will be open from 9:00 AM to 5:00 PM PST.

Your proposal will be considered for funding only if you have completed all four steps outlined below:

1. *User Registration***.** Prior to submitting a proposal, the project proponent must complete an online registration process. Users may register starting October 11, 2005, at *https://solicitation.calwater.ca.gov*.

   As part of the registration process, users will choose a user ID and password that will let them access proposal forms and submit their proposal's text. Registration will also facilitate communication between Authority staff and registered users. Registration does not obligate the registrant to submit a proposal, but applicants must be registered to submit their proposal.

2. *On-line Forms.* The application forms available on the website must be completed before your proposal can be considered for funding. Detailed instructions for completing each form can be found on the forms themselves. Forms may be completed incrementally; you need not complete the process during a single session, and may therefore provide information over multiple sessions as needed.

3. *Proposal Document Composition, Upload and Verification.* Proposals may be prepared using the word processing software of your choice. Proposal documents must be converted to Adobe PDF prior to uploading. Instructions for uploading are available on the website. Once the proposal document has been accepted into the solicitation website, the registered user will be asked to verify the proposal by viewing it directly from the website and checking the "Proposal Complete" box to acknowledge that the document was submitted as intended.

4. *Fax Signature Page.* The signature page must be printed, signed, and faxed to the number on the page by the submittal deadline.

When must proposals be submitted?

The deadline for completing and submitting your proposal to the website is 5:00 p.m. Pacific Standard Time on December 15, 2005. Proposals submitted after that time will *not* be considered.

Chapter 4 —Proposal Review and Selection

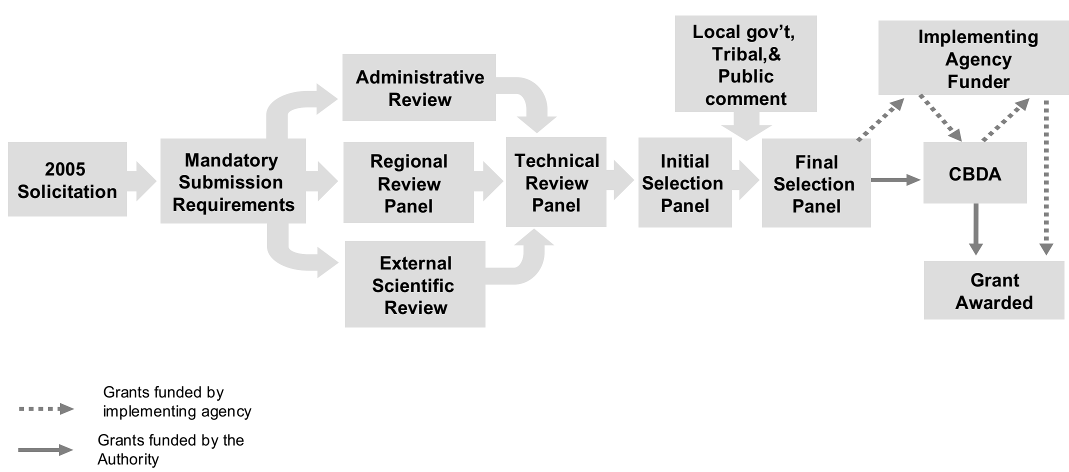
What is in this chapter?

In this chapter you will find information about the process, criteria, and schedule for reviewing proposals and selecting projects for funding.

How will proposals be reviewed?

The proposal review process involves eight steps (see Figure 2). All complete proposals will undergo administrative review, external scientific review, regional review, and technical panel review prior to consideration by the Selection Panel. The Selection Panel's initial funding recommendations will be available to local governments, tribes, and the public for comment. The Selection Panel will consider these comments in making its final recommendations. Recommendations will be forwarded to the Authority which will consider the recommendations in a public meeting and determine whether to fund the projects. In cases where funds are to be awarded by the DFG or others, the Selection Panel will forward its recommendations to the applicable agency. That agency will forward its recommendations to the Authority, which will advise the agencies whether to fund the projects.

Figure 2. Review Process



Mandatory Submission Requirements. Proposals will be rejected without further review if: (1) project applicants do not complete all four steps (user registration; all online forms; proposal document, upload and verification; and fax signature page); (2) proposals are from ineligible applicants; or (3) proposals are otherwise not responsive to the solicitation's priorities and requirements.

Administrative Review. ERP implementing agency staff and contract managers will evaluate each proposal, using the following criteria:

- Past performance, including effective management of grants, if any, previously received from CALFED or CVPIA programs;
- Next-phase funding (proof of earlier phases' progress is shown);
- Environmental compliance (accurate identification of potential environmental compliance or access issues, reasonable compliance schedules and budgets); and
- Budget evaluation (clarity, consistency, and reasonableness of budget and budget justification; availability of matching funds, where applicable).

Regional Review. There will be Review Panels comprised of resource management experts from the four ERP Regions: Sacramento Valley, San Joaquin Valley, Delta and Eastside Tributaries, and Bay (which includes North San Francisco Bay). Proposals will be separated into the four regions based on project location. All appropriate Regional Review Panels will review proposals for projects that fall into more than one region. The regional panels will make qualitative ratings of projects based on these regional criteria:

- Applicability to ERP goals, the MSCS (including addressing specific objectives in the milestones assessment), *Draft Stage 1 Implementation Plan,* and priorities listed in Chapter 2;
- Linkages with other restoration activities in that region, such as ongoing implementation projects, watershed or regional planning efforts;
- Feasibility based on local circumstances (e.g., are there local constraints on the project's ability to move forward in a timely and successful manner?);
- Local involvement, such as participation by farmers and other landowners, county agricultural commissioners, resource conservation districts (RCDs), agricultural extension, farm organizations, and other community organizations.
- Local value, including extent to which the project will improve fish and wildlife habitat and support replicable agricultural activities that contribute to local or regional environmental and economic sustainability.

Comments on technical quality are appropriate in this step, but are a secondary output of this review.

External Scientific Review. Two or more independent external reviewers will be selected to review each proposal based on their expertise in the subject areas of the proposal. The external scientific reviewers will base their reviews on the following criteria:

- Clearly stated goals, objectives, and hypotheses of the proposed project;
- Justification for project, including conceptual model;

- Approach, including study design, methods, information richness, and value of information to farmers, cooperating agencies or non-governmental organizations, and decision makers;
- Technical feasibility and likelihood of success;
- Appropriate performance measures;
- Value of the proposed outcomes, including contributions to ecosystem health and agriculture, contribution to understanding how agricultural activities benefit wildlife and fish, and how results of the project could be applied to future projects;
- Capabilities (project team qualifications and track record, appropriateness of interdisciplinary team, ability of project team to complete the project); and
- Cost/benefit comments (e.g. is the budget reasonable and adequate for the work proposed?).

Technical Review Panel. The Technical Review Panel will consist of technical experts whose expertise spans the range of topics covered by the submitted proposals. The Technical Review Panel evaluates and provides a qualitative and unambiguous rating of each proposal's technical quality to the Selection Panel. The Technical Review Panel will evaluate proposals on the external scientific criteria, while also taking into account the regional and administrative reviews. The extent to which the project addresses desirable project features listed in Chapter 2 also will be considered. The end result is a panel rating of the proposals' technical quality, along with clear evaluation statements for each review criterion.

Selection Panel and Initial Selection Process. The Selection Panel will make initial recommendations for funding based on the previous evaluations listed above. The Selection Panel will include technical and resource-management experts covering a broad range of expertise. Authority staff and the Lead Scientist (or designee) will choose panel members, considering nominations from the ERP Science Board and others. Panel membership will be balanced among practicing scientists and program managers or advisors knowledgeable about agency and stakeholder concerns. The Lead Scientist (or designee) will serve as the non-voting chairman for the panel with primary responsibility for assuring that the discussion is balanced, fair, and comprehensive.

The Selection Panel provides a check on earlier reviews, but its primary purpose is to make strategic funding recommendations from among proposals highly rated based on the following criteria (in order of priority):

- Strategic benefit toward accomplishing ERP goals, including focus on high priority areas or species or widely replicable restoration actions;
- *Draft Stage 1 Implementation Plan* priority;
- Ecological benefit;
- Compatibility with prior investments (complements previous program actions, builds on prior program funding, or sustains essential efforts);
- Value of products to decision makers and stakeholders; and
- Public support and implementability.

Land and Easement Acquisition Selection Criteria. Proposals that include land acquisition are subject to additional review criteria. These criteria reflect the commitment made by CALFED Bay-Delta Program agencies to minimize the impact of ERP implementation on agricultural land, and to use publicly-owned lands and land already acquired with Program funds, when feasible, before acquiring new private property. Authority staff will compile and provide the Selection Panel with summary information regarding land and easement acquisition using the following criteria:

- Availability of public lands that alternatively would meet the project's needs;
- Willing seller;
- Consistency with county/city general plan or evidence of local government support;
- Prioritization of land not mapped as Prime, of Statewide Importance, or Unique Farmland, or maintain agricultural uses on such lands currently in agricultural use;
- The process and timing of notification of interested members of the public and local governments;
- Other measures taken to minimize impacts on agricultural land pursuant to the Record of Decision; and
- Preliminary management plans are included for all properties to be acquired, including an overview of existing conditions (including habitat types in the affected project area), the expected ecological benefits, preliminary cost estimates, and implementation schedules.

Public Comment Period. Local governments and tribes will be asked for their comments regarding local concerns. During this time, applicants may provide comments clarifying their submitted proposals, but are not allowed to supply new information, additional supporting documentation, or additional justification of a proposal.

Selection Panel and Final Selection Process. The Selection Panel will meet again after the public comment period to consider written comments on technical aspects and local concerns. The Selection Panel may revise its initial recommendation based on comments received.

The panel may recommend that projects be funded, in whole or in part. Conditions of funding may be recommended to address issues raised during the proposal review. The panel may also identify projects that are high priorities and whose funding should be considered if they are revised to address the shortcomings identified during the reviews.

California Bay-Delta Authority Review and Action. The Selection Panel will forward its final recommendations to the Authority which will consider the recommendations in a public meeting and determine whether to fund the projects. In cases where funds are to be awarded by the DFG or others, the Selection Panel will forward its recommendations to the applicable agency. That agency will forward its recommendations to the Authority, which will advise the agencies whether to fund the projects. The Authority may at its discretion award or recommend a package of grants that it determines is most responsive to its charge to promote implementation of the Program in a balanced manner, consistent with the goals and objectives of the CALFED ROD.

What is the schedule for reviewing and selecting projects for funding?

The schedule for reviewing and selecting projects for funding is shown below. The schedule is subject to change. Please check the PSP website at: https://solicitation.calwater.ca.gov for updates, or call (877) 408-9310.

PSP Release	October 11, 2005
Pre-submittal Workshops	Thursday, October 13, 2005 5:30-7:30 pm Yolo Basin Wildlife Area Headquarters 45211 County Road 32 B Davis, CA Monday October 17, 2005 5:30-7:30 pm Modesto Library 1500 I Street Modesto, CA Tuesday October 18, 2005 12-1:30 pm Exchange Contractors 541 H St. Los Banos, CA Thursday October 20, 2005 5:30-7:30 pm Monday Afternoon Club 120 North Lassen Street Willows, CA Tuesday October 25 12-1:30 pm Napa County Library 580 Coombs St Napa, CA
Proposal Submittal Deadline	5 p.m. PST on December 15, 2005
Proposals displayed on website; local governments and tribes notified	December 2005
Initial Selection Panel Recommendation	May 2006
Public Comment Period	June 2006
Final Selection Panel Recommendation	July 2006
California Bay Delta Authority Action	August 2006

ATTACHMENT 1

CONFLICT OF INTEREST RULES
For Participants in Proposal Review Process

The California Bay-Delta Authority will manage potential conflicts of interest by selecting reviewers who have no financial connection to the proposals they are reviewing. The participants in the project review process have been selected based on their scientific and technical expertise, not the agency or organization for which they work. Individuals participating in each step of the review process must comply with Federal and State conflict of interest laws. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10365.5, 10410 and 10411 for State conflict of interest requirements.

External reviewers will not be allowed to conduct reviews if they (1) have assisted in the development of a proposal, (2) will receive a financial benefit from the funded project, or (3) have a financial interest under State conflict of interest laws.

Reviewers who have a connection with the applicants or the submitting institution must reveal their connections to CALFED Bay-Delta Program staff prior to performing the review. Such connections will not necessarily disqualify the reviewer, so long as legal conflict of interest requirements are met.

A connection to an applicant exists if any of the following relationships were applicable during the past four years: (1) collaboration on research, pilot, or implementation proposal or project; (2) co-authorship; (3) thesis or postdoctoral advisorship; or (4) supervisor/employee relationship. An institutional connection exists between employees and their employers when, for example, a reviewer and an applicant are employees of the same State or Federal agency even if they are in different divisions of the agency. Similarly, a university faculty member will have an institutional connection with a proposal submitted from that university, even if the applicant is in a different department of that university campus.

ATTACHMENT 2 – REQUIREMENTS FOR FUNDED PROPOSALS

Once a proposal is selected for funding, applicants will be expected to comply with the following additional requirements. These requirements should be budgeted into each proposal, as necessary, and will be part of the project's grant agreement.

Work Commences Only After the Agreement is Fully Executed by Granting Agency

Preparation of grant agreements will begin as soon as projects are approved by the appropriate State or Federal authority, depending on the source of funds. Depending on the complexity of each grant agreement and the readiness of the applicant, it may take considerable time (from four to six months) to develop and finalize the grant agreements or cooperative agreements for the successful proposals. Applicants should not commence work on their projects until an agreement is signed. Work performed prior to the signing of a funded agreement is done at the applicant's risk and without expectation of reimbursement. Funded agreements are not final until signed by the appropriate granting agency, and may require the approval of the Department of General Services. Depending on available funds, some monies may be allocated later in the fiscal year or may be spread through several fiscal years depending upon the number of years approved for each project.

Requirements for Land and Easement Acquisitions

Land acquisition is possible under this solicitation. If you propose to acquire land, easements, or other rights of way, your proposal must explain:

- Why your project activities cannot be conducted on existing public land or on a right-of-way secured without purchase;
- Whether you will be purchasing these lands from a willing seller;
- How your project is consistent with the applicable county or city general plan, or that it has the support of the applicable local government entities;
- Whether the land has been mapped as Prime, of Statewide Importance, or Unique Farmland, whether it is currently under a Williamson Act contract, (and if the proposed land use is consistent with the contract's conditions), and whether it will remain in agriculture or be converted to another use.
- Your expected process and timing for notifying interested members of the public and local governments;
- What other measures from the CALFED ROD have been undertaken to minimize the impacts on agricultural land; and

Your proposal must also include preliminary management plans for all properties to be acquired, including an overview of existing conditions (including habitat types in the affected project area), the expected ecological benefits, preliminary cost estimates, and implementation schedules.

Proposal Complies with Applicable Laws and Regulations

All proposals must comply with applicable laws and regulations, including the National Environmental Policy Act (NEPA), the California Environmental Quality Act (CEQA), and other environmental permitting requirements. For proposals that include actions subject to NEPA and CEQA, funding for implementation is contingent upon the applicant providing copies of completed compliance documents. Project compliance is the responsibility of the project proponent, and proposals may include in their budgets the funding necessary for compliance with legal and regulatory requirements. Recipients will be required to submit copies of NEPA/CEQA and other environmental compliance and permitting documents before work begins.

Permission for Access

Projects proposed on private property or that require access to private property owned by someone other than the applicant must provide written permission from the property owner. Projects conducted in the field for which specific locations have not been identified in the proposal will be required to provide access needs and permission for access after notification of approval.

Public Outreach and Local Involvement

In general, applications should be developed with the support of local groups and the participation of affected parties. Successful applicants may be required in their scopes of work to include a task which demonstrates how the public, adjoining property owners, and local governments will be informed or be allowed to participate in the project planning and development. Specifically, project proponents may be asked to describe:

- The process and timing for notification of adjacent property owners
- The process and timing for coordination with local government
- The process and timing for coordination with other interested organizations
- The process and timing for notification of the general public

Standard Grant Agreement Terms and Conditions

Successful applicants must comply with the terms and conditions of the sample grant agreement template (Attachment 3), and with any other applicable State or Federal laws and regulations. All applicants must state in their proposal that they will agree to the terms of the draft grant agreement, or clearly identify any term(s) with which they cannot agree. All applicants must agree that the prevailing law that will govern the project agreement shall be that of the State of California and the venue for settling any disputes, if any, shall be in Sacramento County, California. The funding agencies reserve the right to refuse to alter the standard terms. Information on standard California contracting terms is contained in Attachment 3.

Completion of Grant Agreement Forms

Depending on the source(s) of funding awarded to a successful applicant, the applicant may be required to complete certain forms after receiving an award letter from the California Bay-Delta Authority or the California Department of Fish and Game. The award letter will identify the source(s) of funding and what forms will be required.

Some of State of California Forms and/or documents that may be requested include:

- Nondiscrimination Compliance Statement (for public, private, and nonprofit applicants only)
- Proof of Contractor's License (for private and nonprofit applicants proposing construction projects)
- Non-Collusion Affidavit (for public, private, and nonprofit applicants proposing construction projects)
- Bidders Bond (for private and nonprofit applicants proposing construction projects)
- If subcontractors and/or subconsultants are not identified in the proposal, proof of competitive bidding methods and documentation for selecting subcontractors, consultants, or subconsultants will be required by the funding agency
- Conflict of Interest Checklist
- Financial Disclosure Form

Performance Measures/Project Monitoring

All proposals are required to include a performance evaluation and monitoring plan. The plan must provide specific information to determine the success of the project in relation to its objectives and its contribution to CALFED Bay-Delta Program goals as well as the project's relevance and contribution to meeting Ecosystem Restoration Program (ERP) objectives and goals. Successful applicants shall submit, at a minimum, annual project reports presenting findings and addressing project progress. Data should be submitted semi-annually in hard copy, as a .PDF file and in an electronic format compatible with Microsoft Access. CBDA and DFG Staff will work with successful proponents to ensure appropriate measures have been identified and to assist with consistency of nomenclature, units, and measurements.

Project Presentations

Successful applicants may be required to make oral presentations at annual review meetings. The purposes of the meetings will be to present project status, discuss working hypotheses and project data, discuss how projects are contributing to improved ecosystem health, and to share information among all the funded recipients. Newsletter articles and other summary documents may also be requested to disseminate and share information on project status or to post on CALFED Bay-Delta Program's website.

Semi-annual Reporting

Successful applicants will be required to submit semi-annual fiscal and programmatic reports. The information required to describe the financial and programmatic status report for each semi-annual report shall include: (1) total amount awarded for the entire project; (2) the amount invoiced to the granting agency; (3) the amount invoiced to cost-share partners; (4) a detailed description of activities performed during the six months being reported; (5) the percentage of each task completed; (6) a list of all deliverables produced for the period of the report; (7) a list of any problems and delays encountered and recommendations for resolving them; (8) a detailed description and justification for any amendments or modifications to the grant agreement.

Rights in Data, Acknowledgements, and Peer Review

The State shall have the right to reproduce, publish, and use all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of a grant agreement, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the successful applicant may copyright the same, except that the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

Successful applicants shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. Successful applicants shall include in any publication (including Internet web pages) of any material based on or developed under this project, and during any media event publicizing the same, appropriate acknowledgement of credit to the CALFED Bay-Delta Program, CDFG or CBDA and to other CALFED cost-sharing partners for their financial support.

Consulting Services

Completed resumes for each participant who will exercise a consultant role or provide a major administrative role and is identified as a contractor, shall be attached to the grant agreement and shall become an integral part of the grant agreement. Applicants must advise the funding agency of proposed consultant staff changes and the funding agency reserves the right to decline or accept applicant's proposed change or require that the applicant provide other alternatives. Use of subcontractors or additional consultants and subconsultants cannot be substituted without the prior written consent of the funding agency.

If subcontractors and/or subconsultants are not identified in the proposal, applicants are required by the State of California rules and regulations to competitively bid all consultant and subconsultant services performed under each grant agreement. Competitive bidding and selection methods must comply with State of California contracting and bidding rules and regulations.

Upon award of the grant, applicant must submit within ninety (90) days of execution of a subcontract a copy of each executed subcontract to the funding agency. For audit or reporting purposes, the granting agency reserves the right to request copies of bidding and selection documentation from the applicant for each subconsultant or subcontractor selected to participate in the project.

Travel and Reimbursement Guidelines

Successful applicants shall be reimbursed for necessary travel in accordance with the current State of California Travel and Reimbursement Guidelines not to exceed those applicable to non-represented State employees under the current and prevailing Department of Personnel Administration (DPA) rules and regulations. Out-of-state travel requires prior written approval from the grant management and funding agencies. Requests for reimbursement must be sufficiently documented with copies of supporting receipts attached to Travel Reimbursement Report form.

Insurance Requirements

When required, the grant recipient shall furnish to the granting agency a certificate of insurance, stating that there is liability insurance presently in effect for the contractor of not less than $1,000,000 per occurrence for bodily injury and property damage liability combined.

ATTACHMENT 3

SAMPLE ERP GRANT AGREEMENT

The California Department of Fish and Game (CDFG) and California Bay-Delta Authority (CBDA) expect to enter into grant agreements with successful applicants. The agencies are the potential State grant agreement agencies. This sample ERP grant agreement is provided so that you may assess whether you are willing and able to comply with its terms. Although the sample agreement identifies both agencies, only one of the agencies expects to be named in agreements with successful applicants. Successful applicants will be notified about which agency will be contacting them to develop an agreement when awards are announced. This following agreement is a sample format and may be adjusted in accordance to State policy and procedures.

ERP PSP ATTACHMENT 3

STATE OF CALIFORNIA

GRANT AGREEMENT

AGREEMENT NUMBER

SAMPLE SIGNATURE PAGE
FOR ERP GRANT AGREEMENT

S-05-ER-XXX

PROJECT NO.

1. This Grant Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Department of Fish and Game (CDFG) or **California Bay-Delta Authority (CBDA)**

GRANTEE''S NAME

Name of Grantee

2. The term of this Agreement is: **June 1, 2006** through **June 30, 2009**

3. The maximum amount of this Agreement is: **$**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Recitals
Exhibit A – Scope of Work
Exhibit A – Attachment 1 - Schedule and List of Deliverables
Exhibit A – Attachment 2 – Sample Semi-Annual Report Form
Exhibit A – Attachment 3 - ERP Amendment Guidelines
Exhibit A – Attachment 4 – Project Data Form
Exhibit A - Attachment 5 – Project Close Out Summary Report
Exhibit B - Invoicing and Payment Provisions
Exhibit B – Attachment 1 – Budget Summary and Detailed Breakdown
Exhibit B - Attachment 2 – Sample Invoice Formats
Exhibit B - Attachment 3 – State Travel & Per Diem Expenses Guidelines
Exhibit B - Attachment 4 – Sample Travel Reimbursement Report
Exhibit C – General Terms and Conditions for ERP Grants
Exhibit D – Special Terms and Conditions for ERP Grants

IN WITNESS WHEREOF, this Grant Agreement has been executed by the parties hereto.

GRANTEE

GRANTEE'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*

Name of Grantee

BY *(Authorized Signature)*	DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

Name of Authorized Signatory, Title

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

California Department of Fish and Game (CDFG) or
California Bay-Delta Authority (CBDA)

BY *(Authorized Signature)*	DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

Name of Authorized Signatory, Title

ADDRESS

Legal Counsel Use Only

RECITALS

FOR ERP GRANT AGREEMENTS

1. The following provisions authorize the California Department of Fish and Game (CDFG) and California Bay-Delta Authority (CBDA) to enter into this Grant Agreement:

   Water Code sec. 79420 (a)(6) - applicable to CBDA only
   Water Code sec. 79550 (e)

2. The Grantee has applied for a grant pursuant to the Ecosystem Restoration Program's 2005 Proposal Solicitation Package (PSP) for projects that assist farmers in integrating agricultural activities with ecosystem restoration authorized by CBDA pursuant to Resolution No. 05-08-03, adopted on August 11, 2005.

3. CDFG or CBDA has determined that Grantee is eligible for a grant under applicable laws and regulations, and has authorized grant funding to Grantee for the project hereinafter described pursuant to Resolution __-__-__, adopted on ________.

4. The project that is the subject of this Grant Agreement is being undertaken by Grantee for the purposes of implementing the CALFED Ecosystem Restoration Program. The grant funds may be used only for the approved project purposes as stated in this Grant Agreement.

5. Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by Grantee in its application, accompanying documents, and communications filed in support of its application for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable laws, regulations, and policies.

ERP PSP Attachment 3

EXHIBIT A
SCOPE OF WORK

"Project Title"

I. PURPOSE OF PROJECT

A. Background Information

The purpose of this project is to [insert description of project, as described in project proposal]

B. Project Objectives

Describe the goals and objective of this project, particularly as related to the Ecosystem Restoration Program goals and objectives. Use the discussion from your project proposal, incorporating any review comments as necessary.

1. Primary Project Goal.
2. Study Objectives. [if applicable]
3. Current Working Hypotheses and Investigative Approaches. [if applicable]

C. Justification for Project Funding

II. PROJECT FUNDING SOURCE(S)

This Grant Agreement is made in accordance with funds appropriated for Ecosystem Restoration Program activities referenced in chapter 7 Proposition 50 (Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002; Division 26.5 (commencing with Section 79500) of the Water Code), entitled CALFED Bay-Delta Program.

As used in this Grant Agreement, "CDFG" (California Department of Fish and Game) means the state agency charged with implementing the Ecosystem Restoration Program element of the CALFED Bay-Delta Program.

As used in this Grant Agreement, "CBDA" (California-Bay Delta Authority) means the state agency charged with oversight and coordination of the CALFED Bay-Delta Program, including, for a transitional period, implementation of the Ecosystem Restoration Program element together with the Department of Fish and Game.

III. PROJECT OFFICIALS

The ERP's Grant Manager shall be ***insert name here***. The Grant Manager shall be the day-to-day representative for administration of this agreement. Except as otherwise expressly provided, all communications relative to this agreement shall be submitted to ERP's Grant Manager.

The Grantee's Project Director shall be ***insert name here***, The Project Director shall be the Grantee's representative for the technical conduct, administration, and performance for this agreement and shall have full authority to act on behalf of the Grantee. All communications submitted to the Project Director shall be as binding as if given to the Grantee.

The Project Representatives during the term of this agreement shall be:

EXHIBIT A
SCOPE OF WORK

IV. WORK TO BE PERFORMED

A. **Scope of Work**

B. **Schedule of Activities and Completion Dates**

C. **Reports and Due Dates**

END OF EXHIBIT A – SCOPE OF WORK

Upon award, grantees will be provided with templates for Exhibit A – Scope of Work and Exhibit B – Budget Summary and Detailed Breakdown to use as a guide for developing Scope and Budget for the Grant Agreement.

EXHIBIT A
SCOPE OF WORK

LIST OF ATTACHMENTS SHOWN ON THE SIGNATURE PAGE

Following is a list of Attachments and a brief description of each. A copy of each of these attachments may be requested from CDFG or CBDA.

Exhibit A – Attachment 1 – **Schedule and List of Deliverables** – Provide a table with detailed description of deliverables for each task, sub-task and estimated due date for each deliverable.

Exhibit A – Attachment 2 – **Semi-Annual Report Form** – Provides specific project related status, progress, and fiscal report for each Grant.

Exhibit A – Attachment 3 – **ERP Amendment Guidelines** – Provides grantees with specific detailed information on requirements that grantees need to provide when requesting an amendment.

Exhibit A – Attachment 4 – **Project Data Form** – This form provides specific detailed information about each project/Grant. This information is entered into ERP's database.

Exhibit A – Attachment 5 – **Project Close Out Summary Report** – This report results, findings as well as provides specific recommendations for improvement, future work, etc.

Exhibit B – Attachment 1 – **Budget Summary and Detailed Breakdown** – This form/format is detailed, specific and is required for ERP Grants.

Exhibit B – Attachment 2 – **Sample Invoice Forms** – These are the specific formats required to process invoices.

Exhibit B – Attachment 3 – **State Travel & Per Diem Expense Guidelines** – State of California guidelines for reimbursing travel. Note that the Dept of Personnel Administration's most current travel guidelines will be used at the time the Grant is prepared and executed.

Exhibit B – Attachment 4 – **Travel Reimbursement Report** – This form is used by Grantee when requesting reimbursement for travel. This form provides specific information on back up documentation required for reimbursement.

EXHIBIT B
INVOICING AND PAYMENT PROVISIONS

"Project Title"

1. **BUDGET SUMMARY:**

For the purposes of this Grant Agreement, payment for work performed under this Grant Agreement shall not exceed the amount indicated for each task. The Grantee shall invoice no more frequently than monthly based upon percent complete by task and deliverables.

See Budget Breakdown Exhibit B – Attachment 1 – Budget Summary and Detailed Breakdown

2. INVOICING AND PAYMENT: Grantee shall submit three (3) copies of the invoice to CDFG or CBDA upon receipt of notice of satisfactory completion or acceptance of work by ERP's Grant Manager. The State will not accept an invoice for which work has not been approved and will return the invoice as a disputed invoice to the Grantee.

Invoices shall be submitted no more frequently than monthly in arrears, at a minimum one invoice for each one-half year of the Grant Agreement, bearing the Grant Number and ERP Project Number.

Milestones - In consideration of the satisfactory completion of the services described herein, the State agrees to pay the Grantee, in arrears, upon receipt of an invoice in triplicate, for services rendered under this Grant. The invoice shall be submitted by the Grantee in sufficient scope and detail to define the actual work performed and specific milestones completed, including a description of the activities of the Grantee and subcontractors and the hours expended to perform or complete those activities. The hourly rate for services rendered shall not exceed the rates set forth in this Grant Agreement.

Submit one (1) signed original and two (2) additional copies of each invoice to the Grant Manager at the following address:

Attention: _________
For: ____________, Grant Manager
California Department of Fish and Game
4001 N. Wilson Way
Stockton, CA 95205

or

Attention: _________, Chief Accounting Unit
For: ____________, Grant Manager
California Bay-Delta Authority
650 Capitol Mall, 5th Floor
Sacramento, California 95814

Undisputed invoices shall be approved for the payment within 45 days of the date received by the Grant Manager and/or the Accounting Office, whichever date occurs later.

EXHIBIT B
INVOICING AND PAYMENT PROVISIONS

3. **BUDGET CONTINGENCY CLAUSE:** It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Grant does not appropriate sufficient funds for the program, this Grant shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant and Grantee shall not be obligated to perform any provisions of this Grant Agreement.

   If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant amendment to Grantee to reflect the reduced amount.

4. **BUDGET FLEXIBILITY:**

   A. Line item adjustment(s). Subject to the prior review and approval of the Grant Manager, line item shifts of up to $25,000 or ten percent of the annual contract total, whichever is less, may be made up to a cumulative maximum of $50,000 per fiscal year. Line item shifts may be proposed/requested by either the State or the Grantee in writing and must not increase or decrease the total contract amount allocated per fiscal year. Line item adjustments in excess of these amounts shall require a formal agreement amendment pursuant to the ERP Grant/Contract Amendment Workshop process (see Exhibit A – Attachment 3 – ERP Amendment Guidelines).

   B. Procedure to Request an Adjustment. Adjustments may be proposed/requested by either CDFG or CBDA or the Grantee in writing and must not increase or decrease the total grant amount allocated per fiscal year. The adjusted budget request shall be clearly indicated in the request by submitting a copy of the original Agreement Budget sheet reflecting the requested changes. Changes shall be noted by striking the original amount(s) followed with revisions in bold and underlined. Budget adjustments deleting a budget line or adding a new budget line item requires a formal agreement amendment through the ERP Grant/Contract Amendment Workshop process and is not permissible under this provision. The Grant Manager shall forward one copy of the request and the approval to the Contracts Office to be retained in the agreement file.

5. **DETAILED INVOICE INSTRUCTIONS:**

   A. The Grantee shall be paid in arrears, upon submission of an original and two copies of the invoice including detailed and itemized charges, expenses, direct and indirect costs based on a not to exceed fiscal year funding shown in the spending plan. Invoices shall provide sufficient detail and information to provide a basis for payment of invoices. The Grantee agrees to submit an interim progress report with each invoice presented for payment.

      Payment of any invoice will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed invoice or payment request. Failure to use the address exactly as provided above may result in return of the invoice or payment request to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. ERP's Grant Manager must approve all invoices.

EXHIBIT B
INVOICING AND PAYMENT PROVISIONS

The invoice shall contain the following information:

1) The word "INVOICE" should appear in a prominent location at the top of the page(s);
2) Printed name of the Grantee;
3) Business address of the Grantee, including P.O. Box, City, State, and Zip Code;
4) The date of the invoice;
5) The ERP Grant Agreement number and ERP project number upon which the claim is based; and,

6) An itemized account of the services for which the ERP Program is being billed:
   i. The time period covered by the invoice, i.e., the term "from" and "to";
   ii. A brief description of the services performed;
   iii. The total amount due shall include all costs incurred by the Grantee under the terms of this Grant Agreement; and,
   iv. Original signature of Grantee firm using preprinted letterhead invoices.
7) Itemized invoices shall include the following information:
   i. Explain and provide specific detailed information on what is included in calculating Other Direct Costs (ODC);
   ii. Explain and provide specific detailed information on what is included in calculating Indirect Costs (IDC);
   iii. Explain and provide specific detailed information on what is included in calculating Overhead Costs (OH);
   iv. Explain and provide specific detailed information on what is included in calculating General Expenses.

   The State reserves the right to request copies of back up documentation to support rates used for ODC, IDC, OH, and General Expenses.

8) Grantee shall provide the following information for land acquisition projects:

   Escrow accounts will be held at:

   Name of Title Company
   Name of Escrow Officer
   Address
   Tel. No.
   Fax No.
   E-mail address:

   No 10% retention shall be required for land acquisition invoices.

B. For services satisfactorily rendered and upon receipt and approval of the invoices, the CDFG or CBDA agrees to compensate the Grantee for actual expenditures incurred in accordance with the rates specified in Exhibit B Attachment 1 – Budget Summary and Detailed Breakdown for this Grant Agreement.

C. If there are any disputes regarding an invoice, the Grant Manager shall notify the Grantee within 15 calendar days of receipt of a properly submitted invoice. Grantee shall have the

EXHIBIT B
INVOICING AND PAYMENT PROVISIONS

option of revising the invoice and resubmitting a corrected invoice within 10 days of notification. In the event that CDFG or CBDA does not receive a revised invoice from the Grantee resolving the items disputed, CDFG or CBDA shall complete DGS Invoice Dispute Form No. STD 209. The Invoice Dispute shall serve as formal notification from CDFG or CBDA to the Grantee that the disputed invoice shall not be paid by CDFG or CBDA until a corrected invoices is submitted.

The detailed breakdown of fees and charges will be shown on each invoice (see Exhibit B – Attachment 2 - Sample Invoice Formats. Expenses for travel shall be reimbursed in accordance with Exhibit B – Attachment 3 – State Travel and Per Diem Expense Guidelines using the ERP Reimbursement Format shown as Exhibit B – Attachment 4 – Sample Travel Reimbursement Report.

D. A request for a budget change not covered by Section 4 of this Exhibit B shall be submitted in writing when the Grantee requests an amendment to this Grant. Requests for amendment must include a justification for the request and indicate that the requested amendment shall in no way compromise or change the overall scope and intent of the project. All amendment requests shall be submitted to ERP's Grant manager and follow the ERP Amendment Process (see Exhibit A - Attachment 3 – ERP Amendment Guidelines).

E. Consulting and research services will be billed on a cost reimbursement basis for all costs incurred in carrying out the terms of this Grant Agreement. Personnel costs will be shown in detail and back up documentation submitted with each invoice. All costs agreed to by ERP's Grant Manager will be charged in accordance with the spending plan as shown in Exhibit B – Attachment 1 – Budget Summary and Detailed Breakdown which provides the task by task spending plan for this Grant Agreement.

F. The Grantee will be compensated for all expenses incurred in the performance of this Grant Agreement, including travel and per diem at reimbursement rates and schedule specified by the Department of Personnel Administration (DPA) for represented employees under collective bargaining agreements currently in effect. No travel outside of California shall be reimbursed unless prior written authorization is obtained from the State. Reimbursement for travel must be documented in detail and copies of receipts attached to the Travel Reimbursement Report.

6. PERFORMANCE RETENTION:

The CDFG or CBDA may withhold, from the invoiced payment amount to the Grantee, an amount equal to ten percent (10%) of that payment.

Payments prior to satisfactory completion of all work required by the agreement shall not exceed, in the aggregate, ninety percent (90%) of the total earned with the balance to be paid upon satisfactory completion of the agreement. The State shall retain from the Grantee's earnings for each period for which payment is made an amount equal to ten percent (10%) of such earnings, pending satisfactory completion and acceptance by the ERP Grant Manager of all deliverables and the completion of the agreement.

EXHIBIT B
INVOICING AND PAYMENT PROVISIONS

In turn, the Grantee agrees to retain from its subcontractor's earnings for each period for which payment is made an amount equal to ten percent (10%) of such earnings, pending satisfactory completion and acceptance by the ERP Grant Manager of all deliverables specified in Scope of Work and List of Deliverables listed in the subcontract .

Exhibit C
General Terms and Conditions for ERP Grant Agreements

Note that agreements with State agencies may use the GIA 101 in place of this Exhibit C. Some terms and conditions may differ for other agencies (i.e., federal agencies, University of California).

1. **APPROVAL**: This Grant Agreement is of no force or effect until signed by both parties. Grantee shall not commence work under this Grant Agreement until such signatures have been obtained. Work performed prior to having a fully executed Grant Agreement is performed at the Grantee's risk, with no expectation of reimbursement.

2. **AMENDMENT**: No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.

3. **ASSIGNMENT**: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the California Department of Fish and Game or the California Bay-Delta Authority in the form of a formal written amendment.

4. **AUDIT**: Grantee agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

5. **INDEMNIFICATION**: Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Grantee in the performance of this Agreement.

6. **DISPUTES**: Grantee shall continue with the responsibilities under this Grant Agreement during any dispute.

7. **TERMINATION**: This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the CDFG or CBDA, upon violation by the Grantee of any material provision of this Grant Agreement after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement within a reasonable time as established by the CDFG or CBDA. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the CDFG or CBDA an amount equal to the

Exhibit C
General Terms and Conditions for ERP Grant Agreements

amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.

8. **INDEPENDENT STATUS***:* Grantee, and the agents and employees of Grantee, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. **NON-DISCRIMINATION CLAUSE**: During the performance of this Grant Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

   Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

10. **COMPENSATION**: The compensation to be paid Grantee, as provided herein, shall be in compensation for all of Grantee's expenses incurred in the performance of this Grant Agreement, including travel, per diem, and taxes, unless otherwise expressly so provided.

11. **GOVERNING LAW**: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

12. **TRAVEL**: Any reimbursement for necessary travel and per diem shall be at rates specified by the California Department of Personnel Administration for similar employees or verification supplied that such rates are not available to the Grantee.

13. **CONFLICTS OF INTEREST**: Grantee shall comply with all applicable State laws and rules pertaining to conflicts of interest including, but not limited to, Government Code section 1090, Public Contract Code sections 10410 & 10411, and Public Contract Code section 10365.5.

14. **UNENFORCEABLE PROVISION**: In the event that any provision of this Grant Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Grant Agreement have force and effect and shall not be affected thereby.

Exhibit C
General Terms and Conditions for ERP Grant Agreements

15. **DRUG-FREE WORKPLACE CERTIFICATION**: By signing this Grant Agreement, the Grantee hereby certifies under penalty of perjury under the laws of the State of California that the Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b) Establish a Drug-Free Awareness Program to inform employees about all of the following:

1) The dangers of drug abuse in the workplace,
2) The person's or organization's policy of maintaining a drug-free workplace,
3) Any available counseling, rehabilitation and employee assistance programs, and
4) Penalties that may be imposed upon employees for drug abuse violations.

c) Every employee who works on the proposed grant agreement:

1) Will receive a copy of the company's drug-free policy statement, and
2) Will agree to abide by terms of the company's statement as a condition of employment on the grant agreement.

This Grant Agreement may be subject to suspension of payments or termination, or both, and the Grantee may be subject to debarment if the department determines that: (1) the Grantee has made a false certification, or (2) the Grantee violates the certification by failing to carry out the requirements noted above.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS
FOR
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1. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Grantee agrees that, to the extent applicable, the Grantee will comply with the provisions of the adopted environmental mitigation plan for the term of this Grant Agreement.

2. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Grant Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Grant Agreement.

3. **NOTICE:** The Grantee shall promptly notify the CDFG or CBDA of events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the CDFG or CBDA, and an agreement amendment has been executed through the ERP Amendment Workshop process for such change. The Grantee shall notify the CDFG or CBDA at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide opportunity for attendance and participation by CDFG or CBDA representatives. The Grantee shall promptly notify the CDFG or CBDA in writing of completion of work on the Project.

4. **OPERATIONS AND MAINTENANCE:** The Grantee shall maintain and operate the facility and structures constructed or improved as part of the project, if any, throughout the term of this Grant Agreement, consistent with the purposes for which this grant was made. The Grantee assumes all operations and maintenance costs of the facilities and structures; the CDFG or CBDA shall not be liable for any cost of such maintenance, management or operation. The Grantee may be excused from operations and maintenance only upon the written approval of the Grant Manager. For purposes of this Grant Agreement, “operation costs” include direct costs incurred for material and labor needed for operation, utilities, insurance, and similar expenses. “Maintenance costs” include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.

5. **INSPECTION:** Throughout the term of this Grant Agreement, the CDFG or CBDA shall have the right to inspect the project area to ascertain compliance with this Grant Agreement. The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Grant Agreement including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made by the State of the premises of the Grantee or a subcontractor, the Grantee shall provide and shall require his subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the State representatives in the performance of their duties. All

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inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

6. **PERMISSION FOR ACCESS TO PRIVATE PROPERTY**: If Grantee requires access across private property, Grantee shall provide written evidence of the property owner's permission for access to the property.

7. **SETTLEMENT OF DISPUTES:** In the event of a dispute, Grantee shall file a "Notice of Dispute" with the ERP Program Manager, or Designee, within ten (10) days of discovery of the problem. The State and Grantee shall then attempt to negotiate a resolution of such claim and, if appropriate, process an amendment to implement the terms of any such resolution. If the State and Grantee are unable to resolve the dispute, the decision of the ERP Program Manager or Designee shall be final.

   In the event of a dispute, the language contained within this agreement shall prevail over any other language including that of the bid proposal.

8. **SUBCONTRACTS**:

a) Grantee is responsible for all subcontracted work. Subcontractors not specifically identified in the grant proposal must be obtained using a competitive bidding process, or non-competitive selection process that meets basic State requirements. The Grantee must provide copies of all executed subcontracts to the ERP Grant Manager.
b) All subcontracts must be in writing and must include specific language which establishes the rights of the auditors of the State to examine the records of the subcontractor relative to the services and materials provided under the subcontract and/or the grant agreement.
c) Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Grantee of its responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Grantee. The Grantee's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Grantee. As a result, the State shall have no obligation to pay or enforce the payment of any moneys to any subcontractor.

9. **COMPUTER SOFTWARE**: For Grants in which software usage is an essential element of performance under this Agreement, the Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant for the acquisition, operation or maintenance of computer software in violation of copyright laws.

10. **RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Grant are subject to the rights of the State as set forth

**SPECIAL TERMS AND CONDITIONS
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in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Grantee may copyright the same, except that, as to any work which is copyrighted by the Grantee, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. Grantee shall include in any publication (including Internet web pages) of any material based on or developed under this project, and during any media event publicizing the same, appropriate acknowledgement of credit to the CALFED Bay-Delta Program, CDFG or CBDA and to other CALFED cost-sharing partners for their financial support.

11. **INSURANCE:** Throughout the term of this Grant Agreement, the Grantee shall provide and maintain insurance against fire, vandalism, and other loss, damage, or destruction of the facilities or structures constructed pursuant to this grant, if any. This insurance shall be issued by a company or companies admitted to transact business in the State of California. The insurance policy shall contain an endorsement specifying that the policy will not be cancelled or reduced in coverage without 30 day's prior written notice to the CDFG or CBDA.

12. **DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS:** In the event that any breach of any of the provisions of this Grant Agreement by the Grantee shall result in the loss of tax exempt status for any state bonds, or if such breach shall result in an obligation on the part of the State to reimburse the federal government by reason of any arbitrage profits, the Grantee shall immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.

13. **PREVAILING WAGES AND LABOR COMPLIANCE:** The Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. The Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to assure that the prevailing wage provisions of State Labor Code Section 1771 are being met. The Grantee agrees to fulfill its responsibilities under Section 1771.8 of the Labor Code, where applicable.

14. **WITHHOLDING OF GRANT DISBURSEMENTS:** The CDFG or CBDA may withhold all or any portion of the grant funds provided for by this Grant Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Grant Agreement or the Grantee fails to maintain reasonable progress toward completion of the project.

15. **GOVERNMENT PERMITS AND ENVIRONMENTAL REVIEW:** Grantee is responsible for ensuring compliance with all applicable permitting and environmental review requirements that may be required to accomplish the project described in the Scope of Work. No work that is subject to any such requirements may proceed under this Grant Agreement until written evidence of compliance is received by the Grant Manager.

    As a condition of grant funding, Grantee is required to utilize the information and analysis in the CALFED Programmatic Environmental Impact Statement/Environmental Impact

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Report (PEIS/EIR), to the extent applicable, in evaluating CEQA and NEPA compliance needs for the Project.

As a further condition of grant funding, Grantee is required to utilize the information, analysis, and procedures in the CALFED Multi-Species Conservation Strategy (MSCS), to the extent applicable, in complying with state and federal endangered species acts for the Project.