



**INTERAGENCY SERVICE AGREEMENT
NO. ISA-ARPA-AG-071124-01**

Between the

**STATE OF ARIZONA,
THE OFFICE OF THE GOVERNOR**

And the

OFFICE OF THE ARIZONA ATTORNEY GENERAL

I. RECITALS

WHEREAS, A.R.S. § 41-101.01 authorizes the State of Arizona, the Office of the Governor (“GVA”) to execute and administer contracts.

WHEREAS, A.R.S. § 35-148(A) authorizes Interagency Service Agreements between budget units to provide reimbursement for services performed, or for the advancement of funds for services to be performed, and authorizes the funds to be credited to the appropriate account for the budget unit performing the services.

WHEREAS, the Office of the Arizona Attorney General (“Grantee”) provides government services that include, without limitation, the seeking of indictments for racketeering offenses pursuant to A.R.S. § 21-421, *et seq.* and the seeking of civil remedies for harms resulting from racketeering offenses pursuant to A.R.S. § 13-2314.

WHEREAS, Grantee’s government services also include coordination of enforcement efforts with local law enforcement entities and, as administrator of the Anti-Racketeering Revolving Fund (the “ARRF”) pursuant to A.R.S. § 13-2314.01, distribution of funds to political subdivisions for local government anti-racketeering enforcement services.

WHEREAS, COVID-19 has resulted in revenue loss for the State, including less available funding for the anti-racketeering activities permitted to be funded from the ARRF pursuant to A.R.S. § 13-2314.01.

WHEREAS, GVA and Grantee recognize that the anti-racketeering government services provided by local law enforcement entities are vital to the safety and prosperity of Arizonans and should not be reduced due to revenue loss stemming from COVID-19.

WHEREAS, subject to any intervening federal law not yet enacted, GVA represents that it has available monies which can be transferred to Grantee for use in paying for the uses described herein and both GVA and Grantee desire that such funds be used for those purposes.

THEREFORE, it is agreed that GVA and Grantee, hereafter collectively referred to as the “Parties,” enter into the terms of this Interagency Service Agreement (“Agreement”).

II. PURPOSE OF AGREEMENT

The purpose of this Agreement is to authorize use and provide funds from the American Rescue Plan Act (“ARPA”), specifically the Coronavirus State and Local Fiscal Recovery Fund, to Grantee to support activities in accordance with Category 6.1 of the State Fiscal Recovery Fund Expenditure Categories as outlined in the most current published guidance (Appendix 1: Expenditure Categories, Treasury’s Compliance and Reporting Guidance, State and Local Fiscal Recovery Fund) found at <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

Under this Agreement, Grantee’s services must be provided in compliance with the rules of the ARPA. The most current published rules (Treasury’s Coronavirus SLFRF Final Rule) can be found at: <https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>

III. TERM OF AGREEMENT, TERMINATION AND AMENDMENTS

This Agreement shall be effective July 11, 2024 and shall terminate on September 30, 2026, contingent upon funding.

Either party may terminate this Agreement at any earlier time by providing written notice to the other party at least thirty (30) days prior to the termination date. The Arizona Office of the Governor agrees that regardless of its termination date with Grantee, Grantee may use the funds distributed under this Agreement to pay for any unpaid services pursuant to this Agreement obligated prior to the date of termination. For the avoidance of doubt, any funds transferred into the ARRF shall be considered obligated. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein.

Notwithstanding any provision of this Agreement to the contrary, Grantee’s reporting obligations set forth in this Agreement shall survive any termination of this Agreement.

Amendments to this Agreement shall be made in writing and signed by both parties.

IV. DESCRIPTION OF SERVICES

- A. Grantee shall use funds made available under revenue replacement to fund government services, which services shall solely include activities listed in A.R.S. § 13-2314.01(F), A.R.S. § 13-4315(C)(1), A.R.S. § 13-4315(C)(2), or A.R.S. § 13-4315(C)(3) that are undertaken by a government entity that contributed funds to the ARRF as of June 30, 2024.
- B. Subject to Section VI, maintain a tracking of total expenditures and report to GVA on such metrics as GVA may reasonably require.

V. MANNER OF FINANCING

GVA shall:

- A. Provide to Grantee a total award amount of up to \$10,000,000 for activities outlined in Section IV.
- B. Transfer funding to Grantee upon (i) receipt of valid invoices for reimbursement as the project is executed or (ii) receipt of request for advances of funds, which request shall include a confirmatory acknowledgement that Grantee shall be responsible for providing documentation of expenditures using such funding in accordance with the requirements set forth in this Agreement.
- C. As part of receiving these funds, all revenue received must remain in a singular dedicated fund (the “Grant Fund”) and all expenditures must be made directly from the same. For the avoidance of doubt, such expenditures may include payments from such singular dedicated fund into the ARRF.

Grantee shall:

- A. Submit requests for reimbursement (invoices) for actual expenses incurred by the program and submit requests for advances of funds, which advances shall be used for approved purposes only. Approved purposes shall include transfer of funds into the ARRF, in amounts as Grantee may determine, at any time during the term of this Agreement.

B. Assure that any expenses reimbursed or advanced under this Agreement have not been or will not be reimbursed or advanced under any other federal program.

VI. REPORTING REQUIREMENTS

Grantee shall submit quarterly programmatic reports to the Office of the Governor through eCivis for all activities performed and expenditures incurred under this Agreement as approved according to Section IV above. The report deadlines are the 15th of the month following each Fiscal Quarter, e.g. January - March activities are due April 15th. Grantee shall report such metrics relating to the performance of this Agreement as GVA may reasonably require. Such requirements for Grantee reporting shall include, without limitation, (i) documentation of any payments from the Grant Fund into any other fund, including the ARRF; and (ii) for funds paid into another fund, documentation of the ultimate expenditures made by any entity receiving such funds. For example, if Grantee transfers monies from the Grant Fund to the ARRF and then those monies are disbursed from the ARRF to a local law enforcement agency, Grantee shall provide GVA documentation of both the transfer from the Grant Fund to the ARRF and the ultimate expenditures made by the local law enforcement agency after receipt of the monies from the ARRF.

To the extent possible in light of applicable law and regulations, GVA's requirements for reporting shall mirror the requirements for ARRF expenditure reporting set forth in A.R.S. § 13-2314.01.

VII. APPLICABILITY OF PART 200 UNIFORM REQUIREMENTS

Grantee agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F. R. Part 200.

VIII. NON-AVAILABILITY OF FUNDS

In accordance with A.R.S. § 35-154, every payment obligation of GVA under the Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by GVA at the end of the period for which funds are available. No liability shall accrue to GVA in the event this provision is exercised, and GVA shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

IX. AUDIT

In accordance with A.R.S. § 35-214, Grantee shall retain and shall contractually require each Grantee and subgrantee to retain all data, books and other records ("records") relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by GVA at reasonable times. Upon request, Grantee shall produce the original of any or all such records.

X. CONFLICT OF INTEREST

In accordance with A.R.S. § 38-511, GVA or Grantee may within three years after execution cancel the Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of GVA or Grantee, at any time while the Agreement is in effect, becomes an employee or agent or any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the matter of the Agreement.

XI. DISPUTE RESOLUTION

The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes.

XII. NON-DISCRIMINATION

Grantee shall comply with State Executive Orders No. 2023-01, 2023-9, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

XIII. E-VERIFY

In accordance with ARS § 41-4401, Grantee warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with AAC Section A.R.S. § 23-214, Subsection A.

XIV. FUND MANAGEMENT

The Grantee must maintain funds received under this Agreement in the Grant Fund and cannot mix these funds with other sources, provided, however, that amounts may be delivered from the Grant Fund into the ARRF as contemplated in this Agreement. The Grantee must manage funds according to applicable federal regulations for administrative requirements, cost principles and audits.

The Grantee must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- A. Financial Management
- B. Procurement
- C. Personnel
- D. Property
- E. Travel

A system is adequate if it is: 1) written; 2) consistently followed - it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds. GVA reserves the right to review all business systems policies.

XV. UEI

Grantee must provide the following prior to an Agreement being executed: (a) Unique Entity Identifier (UEI) number for the fiscal agent; and (b) proof of current registration in the SAM.gov (SAM) website. SAM registration must be maintained for the term of the Agreement. SAM registration information may be found at <https://sam.gov/content/home>.

XVI. FFATA REPORTING REQUIREMENTS

In compliance with the Federal Funding Accountability and Transparency Act of 2006 Reporting Requirements, Pub. L. No. 109-282, 120 Stat. 1186, as amended by Section 6202 (a) of Pub. L. No. 110-252, the Grantee is required to provide information. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) to be made available to the public via a single, searchable website, which is www.USASpending.gov.

XVII. OTHER

It is agreed that the Parties to this Agreement have participated fully in the negotiation and preparation of the Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The Parties acknowledge they have been advised by counsel, or have had the opportunity to be advised by counsel, in the negotiation and execution of this Agreement.

XVIII. NOTICES

Grantee shall address all notices relative to this Agreement to GVA to:

Katie Pompay
Senior Grants Manager
Governor's Office of Strategic Planning and Budgeting

1700 West Washington Street, Suite 600
Phoenix, Arizona 85007
Email: kpompay@az.gov

GVA shall address all notices relative to this Agreement to Grantee:

Daniel C. Barr
Chief Deputy Attorney General
Office of the Arizona Attorney General
2005 North Central Avenue
Phoenix, Arizona 85004
Email: Daniel.Barr@azag.gov

IN WITNESS WHEREOF, the Parties hereto agree to execute this Agreement.
THE OFFICE OF THE ARIZONA ATTORNEY GENERAL

 Daniel C. Barr (Jul 12, 2024 11:35 PDT)	07/12/2024
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Daniel C. Barr
Chief Deputy Attorney General
Date

THE OFFICE OF THE GOVERNOR

 Sarah Brown	07/12/2024
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Sarah Brown
Director
Governor's Office of Strategic Planning & Budgeting
Date

 John McCleve (Jul 12, 2024 13:14 PDT)	07/12/2024
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John McCleve
Comptroller and CFO
Governor's Accounting Office
Date