

FY 2022-23 Statewide Planning and Capacity Building Project Administrator Grant Solicitation

Addendum 01

Posted: September 13, 2023

The purpose of this addendum is to make the following revisions to the Fiscal Year 2022-23 Statewide Planning and Capacity Building Project Administrator Grant Solicitation.

Note: Added language appears in bold underline, and deleted language appears in [strikethrough] and within square brackets.

- 1) All instances of "bonus" were deleted from page 10, 25, and 26. The California Constitution (Article XVI, Section 6) prohibits gifts of public funds, which was the intent for excluding bonus as an eligible labor costs. This clarification is intended to minimize confusion pertaining to pay structures that account for varying approaches to employee compensation.
 - a) Page 10: Direct costs: Actual costs incurred that are directly tied to the implementation of the project, including, but not limited to, personnel costs (i.e., hourly wage), subcontracts, equipment costs, and travel expenses. Profits, profit sharing, shareholder interest, [~~bonuses,~~] and taxes (real and personal) are NOT reimbursable as direct or indirect costs. Allowable costs are paid on a reimbursement basis only except where all advance pay requirements have been satisfied as set out in this Solicitation."
 - b) Page 10: Indirect costs: Indirect costs are actual costs incurred for services or activities that are not directly tied to a specific project objective but support a common or joint purpose. Allowable indirect costs are a pro rata share of general management (overhead) costs for operations that support the work performed under the Grant Agreement, such as accounting, budgeting, payroll preparation, personnel services, utility costs, rent and centralized data processing not already identified or reimbursed as a direct cost. Profits, profit sharing, shareholder interest, [~~bonuses,~~] and taxes (real and personal) are NOT reimbursable as direct or indirect costs. Indirect costs shall NOT exceed five (5) percent of the total CARB Grant Funds awarded. Allowable costs are paid on a reimbursement basis except where all advance pay requirements have been satisfied as set out in this Solicitation.
 - c) Page 25: Labor, including but not limited to: Salaries, wages, **incentive compensation,** and stipends for staff dedicated to the project (excluding

- [~~bonuses,~~] project sharing[~~;~~] or anything not otherwise allowed by applicable laws)
- d) Page 26: Commission fees, commissions [~~, bonuses, and bonus payments of any kind~~]
- 2) A definition for incentive compensation was added to page 13 as an eligible labor cost on page 25.
- a) Page 13: **Incentive compensation to employees for actual work performed on the grant may be allowed provided they are reasonable, necessary, allowable and properly allocated, as determined by CARB. Incentive compensation may be based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the grantee and the employees before the services were rendered, or pursuant to an established written plan followed by the grantee so consistently as to imply, in effect, an agreement to make such payment (in place prior to performance of the work). Incentive compensation for actual work performed on the grant must be reasonable for the services rendered and must conform to the established written policy of the grantee consistently applied to both grant and non-grant activities; must be in place prior to initiating any work on the grant project; must be consistent with grantee’s bylaws and/or written rules or written policies; and, must be consistent with State and federal laws, where applicable. The provisions of 2 C.F.R. Section 200.430¹ shall apply with respect to incentive compensation.**
- b) Page 25 (repeated from 1c above): Labor, including but not limited to: Salaries, wages, **incentive compensation**, and stipends for staff dedicated to the project (excluding [~~bonuses,~~] project sharing[~~;~~] or anything not otherwise allowed by applicable laws)
- 3) On page 25, the word “not” was inadvertently omitted.
- a) Page 25: Grant management costs (including indirect costs) necessary to fulfill the Scope of Work in this Solicitation, including but **not** limited to management oversight, prorated office space, and prorated general liability, Workers’ Compensation, and automotive insurance.”

¹ <https://www.ecfr.gov/current/title-2/section-200.430>