



**DEPARTMENT of AGRICULTURE  
and NATURAL RESOURCES**

JOE FOSS BUILDING  
523 E CAPITOL AVE  
PIERRE SD 57501-3182  
danr.sd.gov

## **Resilient Food System Infrastructure Program (RFSI)**

*South Dakota Department of Agriculture and Natural Resources*

*2024 Request for Proposals*

**Applications Due March 10, 2024, 11:59 PM CT**

### Key Details:

- **Released:** January 10, 2024
- **Applications Due:** March 10, 2024, 11:59 PM CT
- **South Dakota RFSI Infrastructure Grant Funding Available:** \$2,958,529
- **Project Award Types:**
  - **Infrastructure Grants:** \$100,000 - \$2,958,529
    - Infrastructure project awards will be at least \$100,000 with an equal applicant match.
    - Historically underserved producers and small disadvantaged businesses contribute 25% of total project cost.
  - **Simplified Equipment-Only Grants:** \$10,000 - \$100,000
    - Equipment-only project awards may be \$10,000 - \$100,000 for amounts equal to the cost of the equipment. No associated costs may be included. Applicants must substantiate equipment costs through quotes/contracts/etc.
    - No match is required for this grant type.
- **Eligible Projects:** Strengthen the middle of the food supply chain by expanding capacity and infrastructure for the aggregation, processing, manufacturing, storing, transportation, wholesaling, or distribution of agricultural products.
- **Eligible Industry:** Specialty crops, dairy, grains for human consumption, aquaculture, and other food products for human consumption, excluding meat and poultry.
- **Eligible Grant Recipients:** Agricultural producers or processors, nonprofits, local and tribal governments operating middle of the supply chain activities like product processing, aggregation, and distribution. Institutions such as schools, universities or hospitals that facilitate producer cooperation to share infrastructure may also apply.
- **Contact:** Timothy Schoonhoven, Policy Advisor, [timothy.schoonhoven@state.sd.us](mailto:timothy.schoonhoven@state.sd.us), 605-773-5559

# Table of Contents

- I. About the Resilient Food System Infrastructure Program..... 4
  - a. Program Purpose ..... 4
  - b. Program Background..... 4
  - c. South Dakota RFSI Program Goal..... 5
- II. South Dakota RFSI Funding Priorities ..... 5
- III. Grant Project Guidelines..... 5
  - a. About the Infrastructure Grant Round..... 5
  - b. Infrastructure Grant Types ..... 6
  - c. Project Length..... 6
  - d. Eligible Applicants ..... 7
    - i. *Entities Eligible to Apply* ..... 7
    - ii. *Location in South Dakota* ..... 7
    - iii. *Certification of No State Legislator Interest*..... 7
  - e. Eligible Food System Industry Segments ..... 8
  - f. Eligible Projects ..... 8
    - i. *Definition of a Project* ..... 8
    - ii. *Eligible Project Types*..... 8
    - iii. *Example Eligible Project Activities*..... 9
    - iv. *Ineligible Project Activities*..... 9
    - v. *Terms and Conditions to Consult* ..... 10
  - g. Environmental Regulations ..... 10
    - i. *South Dakota Economic Development Districts* ..... 11
  - h. Evidence of Critical Infrastructure..... 12
  - i. Build America, Buy America ..... 12
- IV. Infrastructure Project Funding..... 13
  - a. Funding Availability ..... 13
    - i. *Infrastructure Grants* ..... 13
    - ii. *Simplified Equipment-Only Grants*..... 13
  - b. Infrastructure Grant Matching Requirements ..... 13
    - i. *Match Amount*..... 13
    - ii. *Match Eligibility*..... 14
    - iii. *Match Verification*..... 15

c.	Direct Costs vs. Indirect Costs.....	15
i.	<i>Direct Costs</i> .....	15
ii.	<i>Indirect Costs</i> .....	16
d.	Equipment Cost Documentation.....	17
V.	Application Instructions .....	17
a.	Submission.....	17
b.	Required Documents .....	17
c.	Business Registration .....	19
d.	Unique Entity Identifier.....	19
e.	How to Access the Grant Application Template .....	20
VI.	RFSI Process and Expectations .....	22
a.	Competitive Review Process .....	22
i.	<i>Process Stages</i> .....	22
ii.	<i>State Screening Questions</i> .....	22
iii.	<i>South Dakota RFSI Infrastructure Grant Application Scoring Matrix</i> .....	22
iv.	<i>South Dakota RFSI Equipment-Only Grant Application Scoring Matrix</i> .....	24
b.	RFSI Grant Round and Period of Performance Timelines .....	25
c.	Period of Performance Expectations.....	26
d.	Standard Subrecipient Agreement Terms and Conditions .....	27
	Appendix A: Definitions .....	28
	Appendix B: Sample Standard Subrecipient Agreement Terms .....	31

# I. About the Resilient Food System Infrastructure Program

## a. Program Purpose

The United States Department of Agriculture's Agricultural Marketing Service (USDA AMS) has entered a cooperative agreement with the South Dakota Department of Agriculture and Natural Resources (DANR) to administer the Resilient Food System Infrastructure Program in South Dakota. Through the Resilient Food Systems Infrastructure program (RFSI), USDA AMS and DANR will cooperatively administer targeted investments to the middle of the supply chain. The RFSI program will support middle-of-the-supply-chain projects that improve capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of locally and regionally produced food products.

The RFSI is an exciting investment in food supply chain resilience, farm and food business market access, and value-added agriculture industry development. A more resilient, secure, and diversified local food system benefits producers, consumers, and rural communities, delivering the benefits of South Dakota agriculture to all South Dakotans:

- **Producers and Processors:** Food systems infrastructure that supports competitive and profitable market access for domestic farm products
- **Consumers:** Create more diverse local and regional market options
- **Communities:** Economic opportunities for communities that allow them to retain more of the value chain dollar

These grants empower partners throughout the local food system by providing the resources necessary to accomplish their local project goals and create ripple effects throughout the surrounding community, region, and across South Dakota.

## b. Program Background

The United States Department of Agriculture's Agricultural Marketing Service (USDA AMS) is partnering with states to invest in the local food system supply chain. This program is authorized through Section 1001(b)(4) of the American Rescue Plan (ARP) Act of 2021 (Pub. L. 117—2). Through the cooperative agreement with USDA AMS, the South Dakota Department of Agriculture and Natural Resources will invest RFSI funds in local projects through a competitive South Dakota RFSI Grant Round.

This Request for Proposals (RFP) solicits applications for projects that fall within the scope of the Resilient Food Systems Infrastructure Program. Interested applicants will find guidance on South Dakota RFSI funding priorities, [USDA AMS RFSI Program Terms and Conditions](#), and application process instructions in this RFP.

### c. [South Dakota RFSI Program Goal](#)

Support producers and businesses throughout South Dakota to promote a stronger local and regional food system for the efficient, integrated, reliable, and safe delivery of the products of our number one industry to all South Dakotans.

## II. South Dakota RFSI Funding Priorities

Prior to the release of this RFP, DANR asked local food system partners and stakeholders throughout South Dakota for input on food system supply chain gaps and infrastructure needs that should be addressed through this program. This yielded four main priorities for the South Dakota RFSI Infrastructure Grants:

- a. Processing capacity, including through commercial kitchens, to unlock market access, enable value-added product development, and support increased producer production levels.
- b. Cold storage, necessary near both production areas and closer to major food markets. Cold storage supports processing ability, market access, transportation logistics, and food safety.
- c. Transportation (potentially connected to aggregation) for market access and distribution.
- d. Equipment upgrades and modernization.

DANR will prioritize projects that address these primary needs.

## III. Grant Project Guidelines

### a. [About the Infrastructure Grant Round](#)

The South Dakota Department of Agriculture and Natural Resources will partner with USDA to make competitive sub-award investments to South Dakota producers, businesses, and other eligible entities for infrastructure projects and equipment purchases that create maximum middle-of-the-supply-chain benefit for the South Dakota food system. DANR has \$2,958,529.00 available for competitive infrastructure grant awards. The infrastructure grant round offers an opportunity for direct investment in maximally impactful local projects. These projects will accomplish specific objectives that contribute to a stronger food system, help agricultural producers add value to their products and expand their market access, and create more options for consumers in South Dakota.

DANR looks forward to leveraging RFSI funds to award a diverse spread of proposals from across the state, supporting a diverse range of agricultural products and community needs, creating resilience, new revenue streams, and expanded market options within the supply chain, and generating lasting benefit for our communities.

## Middle of the Supply Chain

The “[middle of the supply chain](#)” refers to the set of activities and steps in the food system supply chain that follow production but precede marketing and sales to the consumer.

Producers and businesses can receive grant funds for projects aiming to expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transportation, wholesaling, or distribution of agricultural products.

All projects funded through RFSI must address the middle of the supply chain. No funding will be granted for project activities targeting the production or marketing/sales phases of the supply chain.

See also the [USDA AMS RFSI Frequently Asked Questions](#), page 1.

*Looking for something else?*

Organizations seeking production-side investment or other funding sources may be interested in:

- [Specialty Crop Block Grant Program](#)
- [Dairy Business Innovation Grant Program](#)
- [North Central Regional Food Business Center](#) Business Builder Subawards
- [Meat and Poultry opportunities](#)
- [USDA Agricultural Marketing Service grants list](#)

### b. [Infrastructure Grant Types](#)

This RFP solicits applications for two tracks of RFSI grants: Infrastructure grants, and Simplified Equipment-Only Grants. The program purpose is the same for both tracks, but each track involves different specific application details, budget and matching requirements, and applicable terms and conditions. See [section IV](#) for more details.

### c. [Project Length](#)

Infrastructure Grants awarded under the RFSI program may be for up to three years. Project duration may be from May 25, 2024 to May 24, 2027.

Simplified Equipment-Only Grants are funded as Fixed Price Grants for the sole purpose of equipment acquisition. No associated facility upgrades, staff labor or training, or other costs may be included. Equipment-Only projects will execute the approved equipment purchase between May 25, 2024 and May 24, 2025 unless otherwise approved.

#### d. Eligible Applicants

##### i. Entities Eligible to Apply

Entities eligible to apply for Infrastructure Grants include:

- Agricultural producers or processors, or groups of agricultural producers and processors
- Nonprofit organizations operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products
- For-profit entities operating middle-of-the-supply-chain activities such as processing, aggregation, or distribution of targeted agricultural products, whose activities are primarily focused for the benefit of local and regional producers, and that meet the eligibility requirements of the SBA small business size standards are eligible.
  - For-profit entities must meet the eligibility requirements of the SBA small business size standards matched to industries described in the North American Industry Classification System (NAICS).
  - For more information on these size standards, please visit [SBA's Size Standards webpage](#).
  - For a quick check on whether your business qualifies, please use the [Size Standards Tool](#).
- Local government entities operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products
- Tribal governments operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products
- Institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.

##### ii. Location in South Dakota

All applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located within the State of South Dakota.

##### iii. Certification of No State Legislator Interest

Offeror (i) understands neither a state legislator nor a business in which a state legislator has an ownership interest may be directly or indirectly interested in any contract with the State that was authorized by any law passed during the term for which that legislator was elected, or within one year thereafter, and (ii) has read South Dakota Constitution Article 3, Section 12 and has had the opportunity to seek independent legal advice on the applicability of that provision to any Agreement entered into as a result of this RFP. By signing an Agreement pursuant to this RFP, Offeror hereby certifies that the Agreement is not made in violation of the South Dakota Constitution Article 3, Section 12.

## e. Eligible Food System Industry Segments

The Resilient Food System Infrastructure program will support projects that target locally and regionally produced food system crops and products for human consumption.

**Eligible products include specialty crops, dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry.**

Ineligible products include meat and poultry, wild-caught seafood, exclusively animal feed and forage products, fiber, landscaping products, tobacco, or dietary supplements.

## f. Eligible Projects

### i. Definition of a Project

USDA describes a project as “a set of interrelated tasks with a cohesive, distinct, specified, and defined goal. It follows a planned, organized approach over a fixed period and within specific limitations (cost, performance/quality, etc.). Additionally, it uses resources that are specifically allocated to the work of the project and usually involves a team of people. Projects are different from other ongoing operations in an organization because, unlike operations, projects have a limited duration with a definitive beginning and end. A project will also have an overarching goal that the applicant wants to accomplish through a series of individual activities or tasks.”

### ii. Eligible Project Types

Infrastructure Grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. **Applicants to the Infrastructure Grant Track will select a “Project Type” from the list below when completing their proposal template.**

Examples of eligible projects include:

- Expanding processing capacities, including adding product types, increasing production volumes, and supporting new wholesale/retail product lines;
- Modernizing equipment or facilities through upgrades, repairs, or retooling; (e.g., adapting product lines for institutional procurement or adding parallel processing capacity);
- Purchase and installation of specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles;
- Modernizing manufacturing, tracking, storage, and information technology systems;
- Enhancing worker safety through adoption of new technologies or investment in equipment or facility improvements;
- Construction of a new facility;
- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g., sealing, bagging, boxing, labeling, conveying, and product moving equipment);
- Increasing storage space, including cold storage;



- Develop, customize or install climate-smart equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA’s climate action goals;
- Modernize equipment or facilities to ensure food safety, including associated Hazard, Analysis, and Critical Control Points (HACCP) consultation, plan development and employee training; and
- Training on the use of all equipment purchased under the grant and associated new processes

*iii. [Example Eligible Project Activities](#)*

Applicants will develop project objectives, describe the specific issue, problem or need the project will address, and explain the activities they will perform to accomplish their objectives. USDA offers the following list of example activities or tasks a project might perform:

- Hiring term-limited personnel to assist with project implementation activities;
- Purchasing special purpose equipment: defined in section 2.0 of the [RFSI Program Specific Terms and Conditions](#). This includes the purchase of special purpose equipment for institutions or others that will benefit multiple producers through middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural product;
- Analyzing potential facility upgrades and changes that meet regulatory requirements, obtaining design and/or architecture services, etc. (to the extent these costs are directly related to the project);
- Planning for Hazard Analysis Critical Control Points (HACCP) or other food safety or worker safety measures or equipment recommendations; and
- Upgrades or new facilities for processing specific agricultural products, such as:
  - On-farm post-harvest processing, preservation, and storage/cold storage;
  - Post-harvest cleaning and grading;
  - Aggregator warehouse and storage, including cooperatives;
  - Purchase of freezing equipment, freezer, or cold storage;
  - Processing, canning, preserving and pasteurization;
  - Preparation and packing;
  - Drying, hulling, shelling, and milling; and
  - Cooking, baking, juicing, distilling, fermenting.

*iv. [Ineligible Project Activities](#)*

The following activities will not be funded through the Resilient Food System Infrastructure program:

- Acquiring real property (including land purchases), or any interest therein;
- Meat and poultry processing or other ineligible agricultural products as noted in section C “Eligible Food System Industry Segments”;
- Activities that have received a Federal award from another Federal award program;
- Claiming expenses that have been or will be reimbursed under any Federal, State, or local government funding; and

Projects which have already received funding from another federal grant or subaward program may not receive funding for the same activities through an Infrastructure Grant. The funds awarded through this program must increase, expand, or replace, and not duplicate, existing activities. However, Infrastructure Grants may build on the successes of prior funding. If applicable, the applicant would explain this in the Infrastructure Grant Template under “Other Support from Federal or State Grant Programs”.

USDA AMS also prohibits the use of RFSI funds for the following:

- Pay costs that have been or will be reimbursed by a third party;
- Pay costs incurred prior to the date the Agreement is executed unless prior approval is granted by AMS;
- Pay costs that support or oppose union organizing;
- Pay costs associated with conducting research and development;
- Pay costs or allow for current market value of property and equipment as eligible total project costs that only support existing processing capacity for a facility

v. [Terms and Conditions to Consult](#)

The lists of Eligible and Ineligible Activities are not exhaustive. **Applicants should consult the following resources to determine eligibility of the activities they are considering while they write their proposal.** Ineligible activities and budget items will not be funded. If an otherwise-eligible proposal that includes some ineligible item or activity is selected for funding, the applicant will be required to adjust the proposal to remove the ineligible items prior to final approval.

- USDA AMS RFSI Program Scope and Requirements  
[https://www.ams.usda.gov/sites/default/files/media/RFSI\\_ProgramScopeandRequirements.pdf](https://www.ams.usda.gov/sites/default/files/media/RFSI_ProgramScopeandRequirements.pdf)
- USDA AMS RFSI Specific Terms and Conditions  
[https://www.ams.usda.gov/sites/default/files/media/RFSI\\_Specific\\_TermsandConditions\\_FY23.pdf](https://www.ams.usda.gov/sites/default/files/media/RFSI_Specific_TermsandConditions_FY23.pdf)
- USDA Agricultural Marketing Service General Terms and Conditions, especially section 8.2  
[https://www.ams.usda.gov/sites/default/files/media/FY2023\\_GeneralTermsandConditions.pdf](https://www.ams.usda.gov/sites/default/files/media/FY2023_GeneralTermsandConditions.pdf)

g. [Environmental Regulations](#)

All activities funded under this RFP and undertaken by grant recipients must comply with the National Environmental Policy Act (NEPA), and related applicable agency regulations and instructions, Section 106 of the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), and all other federal environmental laws and regulations. Proposals must include a self-assertion that the applicant has reviewed and is complying with these requirements.

Projects will be reviewed for NEPA compliance prior to the award of Infrastructure Grant subaward funds. Projects should complete the [Applicant Environmental Questionnaire](#) and provide it to their regional planning district.

Permits that are necessary for the successful completion of infrastructure projects, such as building permits, wastewater permits, temporary water rights, etc., should be obtained or be in process prior to submission of the proposal. All necessary permits must be in place prior to commencement of project activities. For more information see <https://danr.sd.gov/press/PermittingGuides.aspx>. The DANR One-Stop Permitting Contact Ashley Brakke can be reached at [DANRmail@state.sd.us](mailto:DANRmail@state.sd.us).

**Resource:** [A Citizen's Guide to NEPA \(doe.gov\)](#) provides an overview of NEPA requirements.

*i. [South Dakota Economic Development Districts](#)*

DANR recognizes that the eligibility of construction costs under the RFSI is unique for a federal grant offered through USDA AMS, and many interested partners throughout the local food system in South Dakota may be unfamiliar with the rules and requirements of these environmental regulations and permitting processes. To assist with these requirements, DANR has briefed the South Dakota economic development districts, or planning districts, on the requirements of the RFSI program and has engaged the districts to assist stakeholders in the South Dakota food system with applications to this RFP. The planning districts are perfectly positioned to provide technical assistance to applicants interested in the RFSI infrastructure grant round with obtaining any authorities, permits, easements or other approvals necessary for the implementation of the activities in accordance with applicable laws and regulations. The planning districts can also assist applicants with construction rules, local land use regulations, understanding RFSI matching fund requirements, navigating federal grant terms and conditions, acquiring or retrieving a Unique Entity Identifier (UEI) through the System for Award Management (SAM.gov), and the Evidence of Critical Infrastructure provision in subsection (h) below.

The planning districts also have capacity through the South Dakota RFSI cooperative agreement with USDA to help other entities in the state who are participants in the middle-of-the-supply-chain but may not yet be positioned to apply to RFSI or may have interests outside the grant program bounds. Such technical assistance might include:

- Helping a potential applicant understand whether they are a fit for RFSI,
- Connecting them to other resources and programs
- Documenting interested persons' interests and assessments of South Dakota's needs as additional input for DANR, or
- Facilitating connections between entities interested in contributing matching funds and other entities performing RFSI projects.

Note: The economic development districts are also Regional Technical Assistance Providers through the [North Central Regional Food Business Center](#) and can provide additional technical assistance and connect South Dakota entities with other financial assistance through that role.

To identify the appropriate South Dakota planning district jurisdiction and contact please consult this link: <https://sdgoed.com/wp-content/uploads/2022/10/PlanningDistrict-RegionMap.pdf>

## h. [Evidence of Critical Infrastructure](#)

Evidence of Critical Infrastructure is required if critical resources and/or infrastructure are necessary for the completion of the proposed Infrastructure Grant project. Applicants must submit evidence (in MS Word or PDF) that critical resources and infrastructure necessary to support the initiation and completion of a project are in place. Land, structures, and other critical resources must be in place and in working condition at the time of application submission.

The letter must indicate the critical resources that are necessary for initiation and completion of the project and certify that they are in place and committed prior to the start date of the project. Applicants can fill the AMS Suggested [Evidence of Critical Resources and Infrastructure Template Letter](#) and provide the following information:

- Project Applicant
- Project Title
- A statement about committing/approving/granting permission, etc. of the critical resource or infrastructure to the project for the time period
- A description of the approved use of the critical resource or infrastructure approved for the project, any costs associated with its use, and any qualifying circumstances for its use.

## i. [Build America, Buy America](#)

**Overview:** Any public infrastructure project funded under RFSI must coordinate with AMS to ensure adherence to BABA guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the [Infrastructure Investment and Jobs Act](#).

**For-Profit Entities:** BABA is *not applicable to for-profit entities* (either prime or subrecipient) particularly for infrastructure projects. AMS will review facilities owned by public entities to determine whether BABA requirements apply, following USDA guidance to exempt *de minimis* grant awards and other inapplicable activities. All other Infrastructure Grant entities that surpass the \$250,000 threshold of applicable procurement costs must adhere to BABA.

**Small Grants Waiver:** The small grants waiver will apply to awards with total federal funding below the Simplified Acquisition Threshold, which is currently set at \$250,000. BABA is not applicable to Equipment Only Grants as they do not surpass this threshold of \$250,000.

### Resources:

- 2 CFR Part 184 - Buy America Preferences For Infrastructure Projects:  
<https://www.ecfr.gov/current/title-2/part-184>
- [Guidance on BABA requirements for USDA award recipients](#)

## IV. Infrastructure Project Funding

### a. Funding Availability

#### i. Infrastructure Grants

**Track 1: Infrastructure Grants** will be at least \$100,000 in federal funds. While DANR is not setting a formal limit on request amounts, so there is no maximum funding amount for an infrastructure project, the State of South Dakota will be administering \$2,958,529.00 for grants through the RFSI. Applicants should keep this in mind when submitting reasonable funding requests. Infrastructure grants require the contribution of matching funds as described in subsection (b).

#### ii. Simplified Equipment-Only Grants

**Track 2: Simplified Equipment-Only Grants** must request at least \$10,000 and are capped at \$100,000 per proposal. The Simplified Equipment-Only option is a Fixed Price Grant which will fund only special purpose equipment purchases and not associated facility upgrades, staffing, or other costs. The amount awarded will be equal to the cost of the equipment up to \$100,000. Equipment-Only Grants do not require any matching funds contribution.

USDA defines equipment as items over \$5,000. Items under \$5,000 per unit are considered supplies and are therefore ineligible for an equipment-only grant. Applications can include multiple pieces of equipment provided they are allowable, allocable, and reasonable and relate to one another in alignment with the scope of the project being proposed. For more information see the [USDA AMS Terms and Conditions](#) and the [RFSI Program Specific Terms and Conditions](#).

**Note: Applicants may only submit one application and may only apply to one track.**

### b. Infrastructure Grant Matching Requirements

Infrastructure grants require match as described below. Simplified Equipment-Only Grants do not require match. Applicants can use the [match calculator tool](#) to determine their project match.

#### i. Match Amount

Recipients of Infrastructure Grants must provide matching funds equal to the federal fund award amount, or 50% of the total project cost. For a project requesting the minimum \$100,000 federal grant amount, an equivalent \$100,000 recipient contribution is required.

RFSI Match Calculator	
50% Match Requirement	
	Amount
Total Project Amount:	\$ 200,000.00
Federal Funds Requested:	\$ 100,000.00
Cost-Sharing/Matching Amount:	\$ 100,000.00

The required match is reduced to 25% of total project cost for historically underserved farmers and ranchers (<https://www.nrcs.usda.gov/getting-assistance/underserved-farmers-ranchers>), or for other businesses that qualify under SBA categories of small disadvantaged business, women-owned small business, or veteran-owned small business (<https://www.sba.gov/federal-contracting/contracting-assistance-programs>).

**Applicants must self-certify in their Infrastructure Grant applications that they are eligible for reduced match.** Note that the qualification for underserved pertains to the identity of the applicant, NOT whether the applicant intends to perform the project in an underserved community.

The table below illustrates the match that would be contributed towards a minimum \$100,000-federal funded project by an applicant that qualified for reduced match.

RFSI Match Calculator 25% Reduced Match Requirement	
	Amount
<b>Total Project Amount:</b>	\$ 133,333.33
<b>Federal Funds Requested:</b>	\$ 100,000.00
<b>Cost-Sharing/Matching Amount:</b>	\$ 33,333.33

ii. Match Eligibility

Applicants may contribute costs as matching funds towards their match requirement (either 50% or 25% of total project costs) if those costs would be allowable as RFSI direct grant expenditures. If a cost could not be included in the project RFSI budget to be paid by federal funds, then neither can that cost be counted as a matching cost from the applicant.

Matching funds may take two forms: cash and in-kind.

- **Cash match** is direct cash project expenditures by the applicant that is not paid by Federal funds or a donation by a partnering third-party who is contributing the cash match toward the total project cost in cooperation with the applicant.
- **In-kind match** contributions are the value of goods or services provided for the benefit of the grant program, where no funds transferred hands. For example, a partner may volunteer their professional expertise as a match contribution to the project. In-kind contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

**Does this Cost Count as Match?**

- Indirect costs may count toward the Infrastructure Grant applicant’s match. Refer to the section below on Indirect Costs for more information.
- Program income (as defined in [2 C.F.R. § 200.1](#)) is an ineligible source of match
- Other Federal funds may not be used as match.
- Time and labor on the project may be counted.
- The market value for the donated use of a building or facilities by the project may be used.
- The value of the rental or lease of a building or facilities by the project may be used.

- Note: For buildings, the full value of the building should only be counted if the entire building is used for the project. Otherwise, the applicant must prorate the value appropriately.
- The value of equipment used for the proposed project and necessary to conduct grant project activities may be used.
- Acquired real property, including land, is an unallowable cost and therefore cannot be used to meet the match requirement.

For additional guidance on matching funds, consult the Code of Federal Regulations at [2 CFR 200.306 Cost sharing or matching](#) and the [USDA RFSI FAQ](#).

### *iii. Match Verification*

**All matching contributions must be committed or secured at the time an applicant is recommended for an award.**

Each application must include the total amount of match and how it will specifically align with their requested funding. Additionally, applicants must submit one match verification letter for EACH cash or in-kind resource signed by the matching organization. Applicants must use the Suggested Match Verification Template Letter here:

[https://danr.sd.gov/Press/docs/VerificationofMatchingFundsTemplateLetter\\_Compliant.docx](https://danr.sd.gov/Press/docs/VerificationofMatchingFundsTemplateLetter_Compliant.docx). The match verification documents the following:

- Project Applicant
- Project Title
- Cash Commitment per year (if applicable) and Total Cash Match
- In-kind Contribution per year (if applicable) and Total In-kind Match. Items broken down into categories might include:
  - Salaries (employee name, title, duties, pay rate/hr., amount matched per year)
  - Items/Activities (fair market value per unit, how value determined, and amount matched per year)
  - Explanation of how each type of match will correspond to the budget or be used by the applicant.
- Signature of Matching Organization Representative with typed name and title.

**Signed Match Verification Letters must accompany the Infrastructure Grant proposal at the time of application to the State.**

### *c. Direct Costs vs. Indirect Costs*

Indirect costs only apply to Infrastructure Grants. Equipment-Only Grants will not include any indirect funds.

#### *i. Direct Costs*

**Direct costs** are costs directly associated with execution of the objectives of the project and which would not be incurred apart from performance of the project. Direct costs are identified specifically



with the project award and easily assigned to a specific project with a high degree of accuracy. Direct costs might include supplies, contractual expenses, equipment, and travel directly benefiting the grant-supported project and compensation including salaries and fringe benefits for employees performing the project activities.

The [Infrastructure Grant application template](#) includes the following direct cost expense categories: Personnel, Fringe Benefits, Travel, Equipment, Supplies, Construction, Contractual, and Other. The [Equipment-Only template](#) budget narrative solely includes the Equipment Item the project desires to purchase using the funds requested.

**Direct costs must be allocable, reasonable, and allowable.** Applicants are encouraged to check their expenditures against the [USDA AMS General Terms and Conditions](#) and [RFSI Program Specific Terms and Conditions](#).

For more information about allowable expenses for federal grant projects see [2 CFR 200 Subpart E Cost Principles](#).

#### *ii. Indirect Costs*

**Indirect costs** are any costs that are incurred for common or joint objectives that cannot be readily identified with an individual project, program, or organizational activity. They generally include facilities operation and maintenance costs, depreciation, and administrative expenses. Indirect costs may also be termed “Facilities and Administrative Costs” or thought of as general organizational overhead costs that the recipient incurs regularly and do not necessarily pertain to the work being done under a specific grant project but benefit all the work the organization does generally.

If an Infrastructure Grant applicant has a Negotiated Indirect Cost Rate Agreement (NICRA), the applicant must use that NICRA when calculating indirect costs to include in the project budget proposal. The applicant must submit a copy of the NICRA with the Infrastructure Grant application. Applicants who do not have a NICRA in place (other than local and tribal governments) may still request indirect funds as part of their budget and may calculate them using the de minimis rate of 10 percent of modified total direct costs (MTDC).

All entities who elect to charge a de minimis rate of 10 percent must use the MTDC as the base. MTDC are defined in [2 C.F.R. § 200.1](#) as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each Infrastructure Grant (regardless of the period of performance of the Infrastructure Grants under the award). MTDCs exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each Infrastructure Grant in excess of \$25,000. Other items may be excluded only when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

For additional details about Indirect Costs, the Modified Total Direct Costs (MTDC) method of indirect cost budget calculation, and how to negotiate a NICRA for organizations that do not have an agreement, please consult the [USDA RFSI Program Scope and Requirements](#) Section 4.2.



#### d. Equipment Cost Documentation

The USDA RFSI Equipment-Only Grant Application requires that applicants submit documentation to substantiate the costs of each piece of equipment. This documentation might include contracts, catalog pricing, or binding quotes provided by licensed commercial entities.

## V. Application Instructions

### a. Submission

Applicants should take care to ensure they submit all required documents for a complete proposal.

Applicants must submit the required documents via email to Timothy Schoonhoven at [timothy.schoonhoven@state.sd.us](mailto:timothy.schoonhoven@state.sd.us).

Applications for both infrastructure grants and equipment-only grants are due no later than **Sunday, March 10, 11:59 PM CT**.

### b. Required Documents

Applicants must include all relevant items from the following list of Required Documents:

- DANR Cover Letter  
<https://danr.sd.gov/Press/docs/rfsi/RFSI%202024%20Application%20Cover%20Sheet.pdf>
- Completely Filled USDA RFSI Grant Application Form
  - o Infrastructure Grant Application Template  
[https://danr.sd.gov/Press/docs/RFSI Infrastructure%20Grant%20Template 10.13.23.pdf](https://danr.sd.gov/Press/docs/RFSI%20Infrastructure%20Grant%20Template%2010.13.23.pdf)
  - o Simplified Equipment-Only Grant Application Template  
[https://danr.sd.gov/Press/docs/RFSI Equipment%20Only%20Grant%20Template 10.13.23.pdf](https://danr.sd.gov/Press/docs/RFSI%20Equipment%20Only%20Grant%20Template%2010.13.23.pdf)
- Match Verification Letter(s) – completed for each source of matching funds/resources  
[https://danr.sd.gov/Press/docs/VerificationofMatchingFundsTemplateLetter Compliant.docx](https://danr.sd.gov/Press/docs/VerificationofMatchingFundsTemplateLetter%20Compliant.docx)
- Applicant Environmental Questionnaire – fill and submit to the applicable regional planning district for a determination of the level of environmental review required for the project  
[https://danr.sd.gov/Press/docs/rfsi/USDA%20AMS%20Applicant%20Env.%20Questionnaire Compliant 010324.pdf](https://danr.sd.gov/Press/docs/rfsi/USDA%20AMS%20Applicant%20Env.%20Questionnaire%20Compliant%20010324.pdf)
- Evidence of Critical Infrastructure (if applicable)  
[https://danr.sd.gov/Press/docs/CriticalResourceInfrastructureTemplateLetter Compliant.docx](https://danr.sd.gov/Press/docs/CriticalResourceInfrastructureTemplateLetter%20Compliant.docx)
- Collaborating Organization Letters of Support (Optional)  
<https://danr.sd.gov/Press/docs/rfsi/CollaboratingOrganizationTemplate.docx>

- Construction design documents (if applicable and informative in support of application template narrative)
- Permits necessary for the completion of work (if applicable)
- Business sustainability plan (If applicable. Explanation below.)
  - The South Dakota Department of Agriculture and Natural Resources is cognizant that the grant funds offered through the RFSI are a unique opportunity for project applicants to achieve their goals and create meaningful benefit to their communities and the state. However, these funds are only available to projects for three years. DANR seeks to avoid RFSI program funds supporting projects that will kickstart an organization or program that cannot sustain itself beyond the term of the grant. To avoid positioning applicants for immediate post-grant difficulty, DANR requires that applicants demonstrate attention to the sustainability of their organizational ventures beyond the scope of the three-year project term.
  - The purpose of this provision is similar to that found on page 6 of the [USDA AMS Specialty Crop Block Grant application](#), in which USDA asks applicants to “Describe the Likelihood of the Project Becoming Self-Sustaining and Not Indefinitely Dependent on Grant Funds.” Given that RFSI is a one-time program and not an annual opportunity like the Specialty Crop Block Grant, the need to support sustainable projects is enhanced.
  - The State of South Dakota RFSI program funds are intended to support strong proposals, not create dependency. Projects that will undertake a new venture should maintain momentum beyond the grant. Projects that bolster an existing business or venture should contribute lastingly to that business or venture.
    - For example, an undesirable outcome: A group of producers forms a cooperative entity that performs an RFSI project to establish a shared processing facility and commercial in a geographic region that lacks access to processing infrastructure. The grant helps pay for the cost of setting up the facility and for an employee to maintain the facility during the grant. Following the conclusion of the grant, absent plans to ensure otherwise, the RFSI grant recipient is unable to pay for the maintenance of the building or the employee wages. The facility falls into disrepair and is no longer used, thus losing any lasting benefit to the community.
  - Applicants must submit a separate document (Word or PDF) addressing the sustainability of their organization/business/other entity’s operations as they pertain to their proposed RFSI project. This information does not need to replicate that provided under the executive summary and problem descriptions in the application template. Applicants may choose to submit existing documents such as a business sustainability plan or similar vision document, but should at minimum answer:
    - Do the health and sustainability of your financial projections and assumptions of your organization or operation depend on RFSI grant funds?
    - Does your organization plan to continue the activities funded through the RFSI grant beyond the term of the grant? If so, how?
    - Will committing to expanded organizational activities through and beyond the RFSI project jeopardize the financial viability of your organization once federal funding support expires?

- Note: Some proposals will include activities only meant to occur during the three-year period, while other projects may expand existing organizational activities and aim to continue those following the period of performance. For applicants who propose a set of time-bound activities that will only be performed during the RFSI project, this exercise does not apply. This exercise is intended for applicants whose RFSI projects will create a longer-term program or organizational change, such as an applicant who purchases a new piece of equipment, expands personnel or capacity to reach additional markets, or invests in construction.

### c. Business Registration

Applicants seeking to form and apply to the RFSI program through a new legal entity must register with the South Dakota Secretary of State's office: <https://sdsos.gov/Business-Services/default.aspx>

### d. Unique Entity Identifier

All recipients of federal funding awards are required to register in the System for Award Management at [SAM.gov](https://sam.gov). Page 1 of the Grant Application Template requires that applicants enter their "UEI", which is their Unique Entity Identifier. A Unique Entity Identifier is obtained for free upon registration in SAM.gov.

The U.S. Federal Government began using UEI numbers instead of the previous DUNS number system for award management in 2022. Any organization who is registered in SAM.gov already has a UEI. If you are not registered in SAM.gov, you may either fully register your entity (necessary to apply directly for primary receipt of federal funds) or simply apply for a UEI (sufficient if your organization only seeks subawards). For more information:

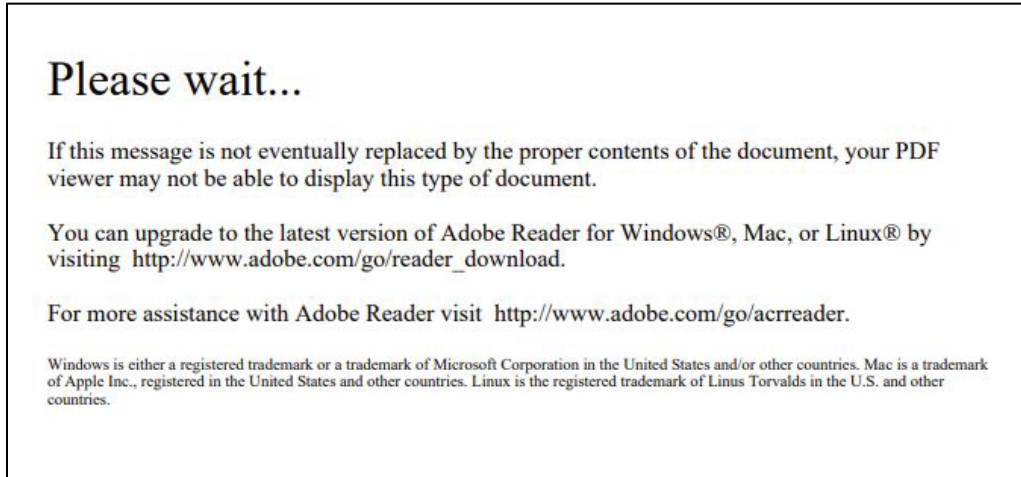
- To receive a SAM.gov UEI, visit <https://sam.gov/content/entity-registration>
- For a guide on how to view your Unique Entity ID (SAM) see [https://www.fsd.gov/gsafsd\\_sp?id=kb\\_article\\_view&sysparm\\_article=KB0041254](https://www.fsd.gov/gsafsd_sp?id=kb_article_view&sysparm_article=KB0041254)
- "What's the difference between only getting a Unique Entity ID and registering your entity?" [https://www.fsd.gov/gsafsd\\_sp?id=kb\\_article\\_view&sysparm\\_article=KB0051214&sys\\_kb\\_id=dd40f4ef1b9641d0937fa64ce54bcb7a&spa=1](https://www.fsd.gov/gsafsd_sp?id=kb_article_view&sysparm_article=KB0051214&sys_kb_id=dd40f4ef1b9641d0937fa64ce54bcb7a&spa=1)

**Note:** The amount of time required to obtain a UEI can be unpredictable. The process for obtaining a UEI alone is shorter than obtaining a full SAM.gov registration. DANR recommends that applicants who do not yet possess a UEI begin the process early.

**Reminder:** The South Dakota Planning Districts are available to assist with obtaining or retrieving your organization's SAM.gov Unique Entity Identifier.

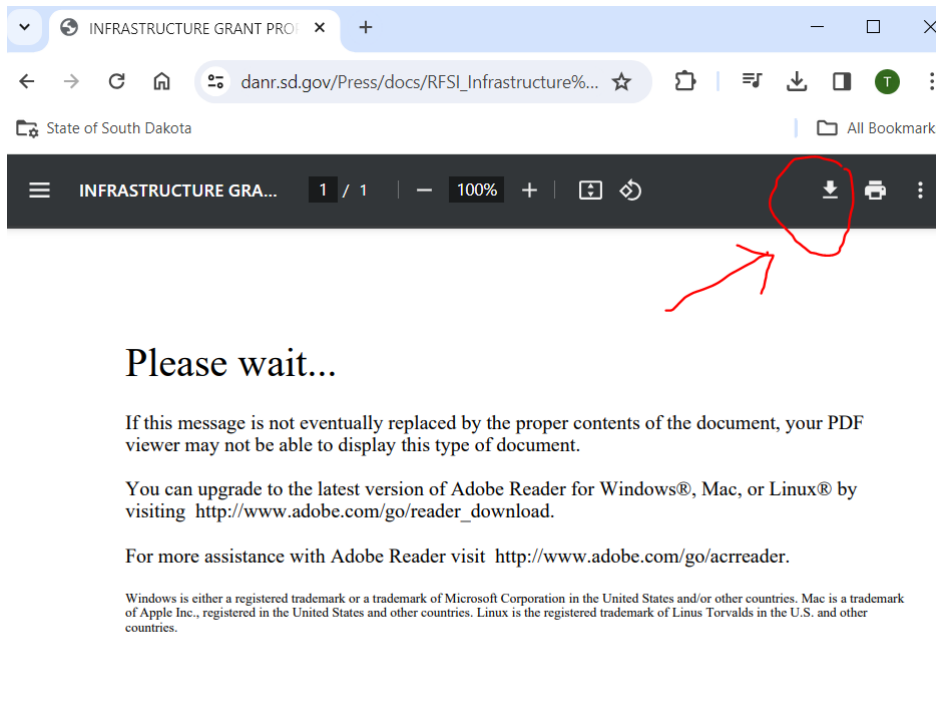
### e. [How to Access the Grant Application Template](#)

The USDA Grant Application Templates for Infrastructure Grants and Simplified Equipment-Only Grants are available from the DANR website at <https://danr.sd.gov/Press/RFSI.aspx>. Some applicants may find that selecting the template link opens the document in a new tab in their web browser but generates the resulting message:

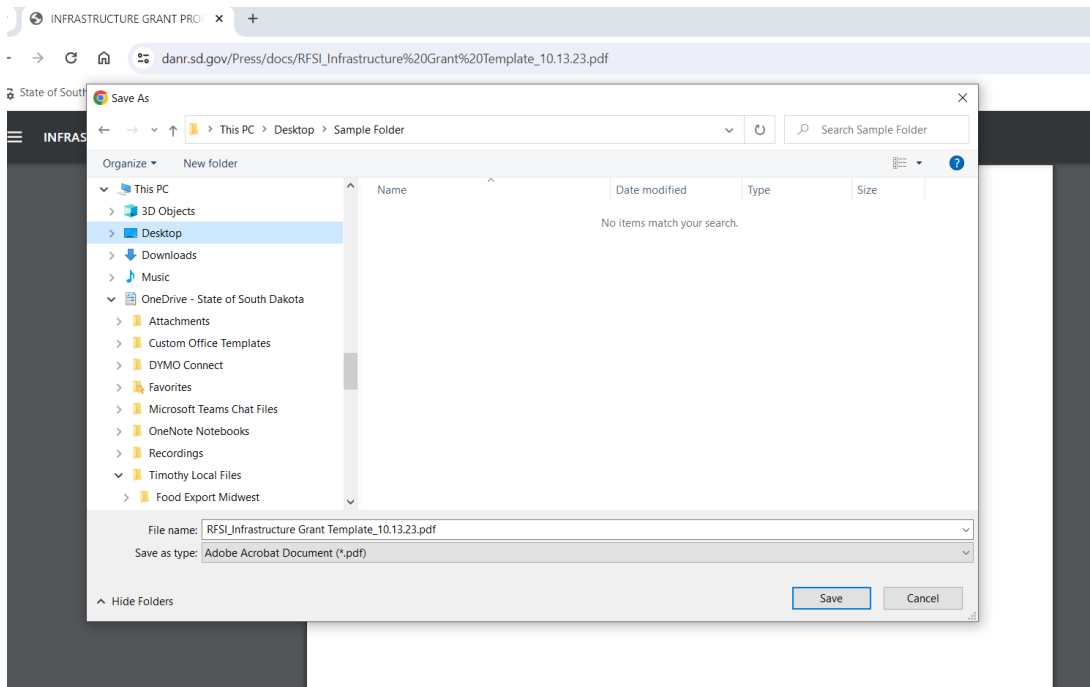


To access the document and rectify this issue, follow these steps:

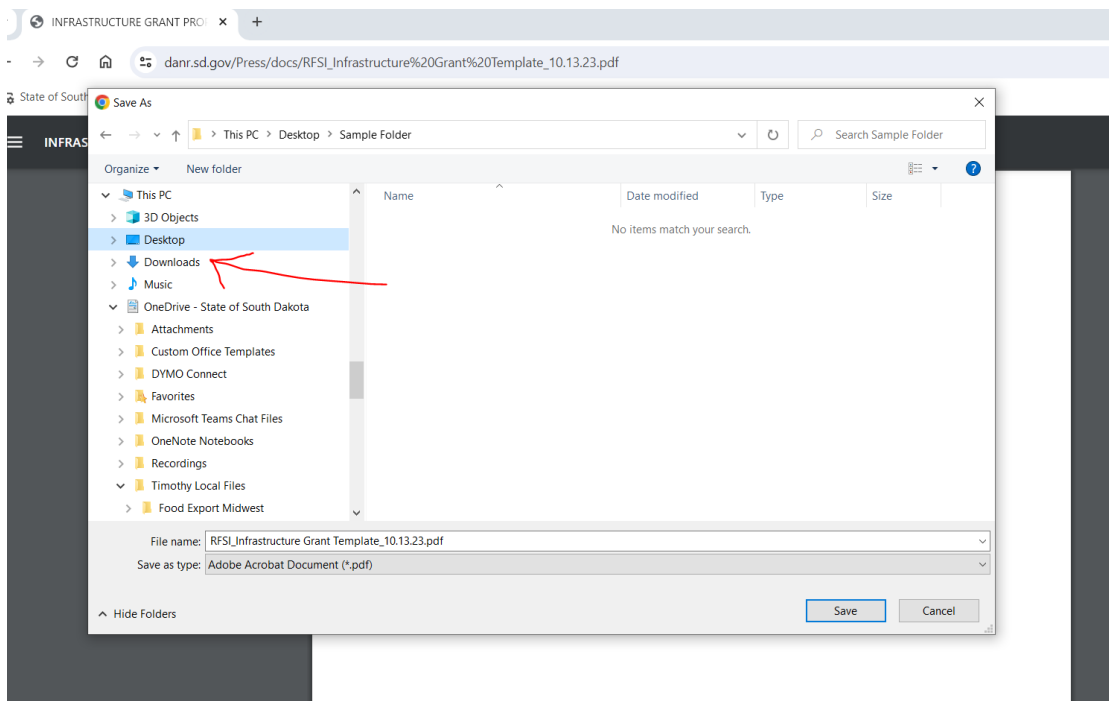
1. Download the document from the webpage:



2. Downloading may prompt you to save the file in a location of your choice:



3. Alternatively, downloading may automatically place the new file in your Downloads folder. Access the Downloads folder in your computer File Browser:



4. Open the fillable pdf template from the folder where you saved the file. Open using Adobe Acrobat Reader or Pro.
5. Opening the template in the Adobe application on your computer instead of through your web browser should allow you to fill and save the form as normal.

## VI. RFSI Process and Expectations

### a. Competitive Review Process

#### i. Process Stages

South Dakota RFSI proposals will be selected through a competitive review process:

- During the application period, DANR staff will conduct a state screening of proposals as they are received.
- Once applications are received by March 10, 2024, the South Dakota RFSI review panel will score each submission using the matrix below. DANR staff will average reviewer scores for a combined score and rank all proposals. The review panel will submit its recommendations for funding.
- The Secretary of the South Dakota Department of Agriculture and Natural Resources will review the panel’s recommendations and approve the final selection of projects for state RFSI funding.
- All documentation affecting the decision to approve, disapprove, defer, or otherwise not fund an application should be maintained in an accessible, centralized program file.
- DANR will submit the selected projects to USDA AMS for approval.
- Following USDA approval DANR will enter subrecipient agreements with the applicant organizations whose proposals are selected. Subrecipient agreements will be dated no earlier than May 25, 2024. Agreements finalized after May 25 can be backdated to May 25 to allow reimbursement of authorized costs incurred between May 25 and the final execution of the subaward paperwork.

#### ii. State Screening Questions

- Does the proposal include all necessary documents and utilize the correct forms?
- Are all necessary documents complete?
- Is the proposal submitted by an eligible entity regarding an eligible industry segment?
- Is the applicant debarred?
- Does the applicant have a UEI?
- Are all match funds identified and secured?
- If applicable, has the applicant successfully and promptly fulfilled all subrecipient requirements during the period of performance of any past subrecipient awards from the state?

#### iii. South Dakota RFSI Infrastructure Grant Application Scoring Matrix

South Dakota RFSI Infrastructure Grant Application Scoring Matrix		
Criteria	Description	Maximum Points
Project Purpose and Need	<ul style="list-style-type: none"><li>• Does the proposed project type(s) address South Dakota RFSI Priority Needs? (page 5 of the RFP)</li></ul>	30

	<ul style="list-style-type: none"> <li>• Does the application clearly and concisely describe the SD middle-of-the-supply-chain need for the proposed project and establish a sound and reasonable link between that need and the proposed project purpose, project type, project timeliness, and project activities?</li> <li>• Is the applicant and food system industry segment eligible per RFP rules?</li> </ul>	
Objectives and Outcomes	<ul style="list-style-type: none"> <li>• Do the project Objectives meaningfully address the specific issue or problem the project identifies?</li> <li>• Are the Outcomes realistic and worth the investment requested?</li> </ul>	10
Readiness and Feasibility	<ul style="list-style-type: none"> <li>• Is the applicant ready to commence work upon award?</li> <li>• Can the project reasonably be performed during the period of performance? (Especially construction)</li> <li>• Have necessary permits been secured?</li> <li>• Are necessary plans in place, e.g., construction designs?</li> <li>• Does the applicant demonstrate an acceptable effort to consider the applicable laws, regulations, barriers, and business planning necessary for a successful and sustainable project?</li> </ul>	15
Budget	<ul style="list-style-type: none"> <li>• Is the budget clearly explained, reasonably estimated, and appropriately justified?</li> <li>• Would this be an efficient use of SD RFSI funds considering both the project itself and the total funding available to SD for RFSI?</li> <li>• Does the budget consist of eligible expenses?</li> <li>• Has the applicant secured sufficient match?</li> </ul>	15
Project Economic Impact	<ul style="list-style-type: none"> <li>• Will the project result in sustainable activity that will continue to benefit the South Dakota food system beyond the period of performance?</li> <li>• Does the project support, create, or benefit food system infrastructure that enhances competitive and profitable market access for domestic farm products?</li> <li>• Does the project benefit consumers by creating more diverse local and regional market options?</li> <li>• Does the project advance economic opportunities for communities that allow them to retain more of the value chain dollar?</li> </ul>	10
Project Partner and Beneficiary Impact	<ul style="list-style-type: none"> <li>• Does the project demonstrate external partner support?</li> <li>• Does the application adequately describe the project benefit?</li> <li>• Does the application provide a reasonable estimate of the number of individuals impacted by the project results?</li> <li>• Does the project solely benefit a single entity or individual?</li> <li>• Does the project benefit small and medium-sized enterprises?</li> <li>• Does the project build on past work?</li> </ul>	10

Involvement of members of underserved groups including veteran producers, new and beginning farmers, and women farmers	<ul style="list-style-type: none"> <li>• Will the project be performed by a member(s) of an underserved group?</li> <li>• Does this project directly benefit underserved groups?</li> </ul>	5
Impact to Communities in Need	<ul style="list-style-type: none"> <li>• Does the application affect a Distressed Community? (5 Points)</li> <li>• Does the application affect an At-Risk Community? (3 Points)</li> <li>• Does the application primarily impact a community that is neither Distressed nor At-Risk? (1 Point)</li> </ul>	5

*iv. South Dakota RFSI Equipment-Only Grant Application Scoring Matrix*

<b>South Dakota RFSI Equipment-Only Grant Application Scoring Matrix</b>		
<b>Criteria</b>	<b>Description</b>	<b>Maximum Points</b>
Project Purpose and Need	<ul style="list-style-type: none"> <li>• Does the proposed project type(s) address South Dakota RFSI Priority Needs? (page 5 of the RFP)</li> <li>• Does the application clearly and concisely describe the SD middle-of-the-supply-chain gap or problem and establish a sound and reasonable link between that need and the proposed equipment purchase?</li> <li>• Is the applicant and food system industry segment eligible per RFP rules?</li> <li>• Does the purchase of a piece of equipment without other associated activity meaningfully address the identified food system gap?</li> </ul>	40
Objectives and Outcomes	<ul style="list-style-type: none"> <li>• Are the Outcomes realistic and worth the investment requested?</li> </ul>	10
Budget	<ul style="list-style-type: none"> <li>• Is the budget clearly explained, reasonably estimated, and appropriate justified?</li> <li>• Would this be an efficient use of SD RFSI funds considering both the project itself and the total funding available to SD for RFSI?</li> <li>• Does the budget consist of eligible expenses, e.g., no general-purpose equipment?</li> <li>• Is appropriate documentation included?</li> </ul>	20
Project Economic Impact	<ul style="list-style-type: none"> <li>• Will the project result in sustainable activity that will continue to benefit the South Dakota food system beyond the period of performance?</li> </ul>	10



	<ul style="list-style-type: none"> <li>• Does the project support competitive and profitable market access for domestic farm products?</li> <li>• Does the project benefit consumers by creating more diverse local and regional market options?</li> <li>• Does the project advance economic opportunities for communities that allow them to retain more of the value chain dollar?</li> </ul>	
Project Partner and Beneficiary Impact	<ul style="list-style-type: none"> <li>• Is there a clear link between the applicant purchase of the requested equipment and a significant benefit to the beneficiaries? Are the benefits adequately described?</li> <li>• Does the application demonstrate external partner support?</li> <li>• Does the application provide a reasonable estimate of the number of individuals impacted by the project results?</li> <li>• Does the project solely benefit a single entity or individual?</li> <li>• Does the project benefit small and medium-sized enterprises?</li> <li>•</li> </ul>	10
Impact to underserved groups and communities	<ul style="list-style-type: none"> <li>• Will the project be performed by a member(s) of an underserved group such as veteran producers, new and beginning farmers, or women farmers?</li> <li>• Does this project directly benefit underserved groups and/or distressed or at-risk communities?</li> </ul>	10

**b. RFSI Grant Round and Period of Performance Timelines**

<b>Program Activity</b>	<b>Party</b>	<b>Timeframe</b>
<b><i>Competitive Grant Round (2024)</i></b>		
Release of SD RFSI Request for Proposals	South Dakota Department of Agriculture and Natural Resources	January 10, 2024
South Dakota DANR available for questions about the opportunity. South Dakota Planning Districts available to assist interested applicants with the proposal requirements and the application process.	SD DANR, SD Planning Districts	January 10 – March 10, 2024
SD RFSI Office Hours and Q&A Session #1 <a href="#">Click here to join the meeting via computer</a>	SD DANR	January 17, 2024, 2:30 – 3:30 CT
SD RFSI Office Hours and Q&A Session #2 <a href="#">Click here to join the meeting via computer</a>	SD DANR	January 30, 2024, 2:00 – 3:00 CT

RFSI Applications Due	Subrecipient Applicants	March 10, 2024
Competitive Evaluation Process: South Dakota RFSI review panel evaluate the merits of each application, select and propose projects for funding to USDA.	Review Panel, SD DANR, USDA AMS	March 10 – May 25, 2024
Notification of successful applicants of selection conditional on USDA AMS review. Notification of unselected applicants.	SD DANR	April/May 2024
Coordinate with USDA on final acceptance of projects and enter subrecipient agreements with successful applicants	SD DANR, USDA AMS, Selected Applicants	May 2024
<b><i>Project Performance Period (2024-2027)</i></b>		
Earliest date for Subrecipient Agreements to begin	Selected Applicants	May 25, 2024
Period of Performance Year One	Subrecipients	May 25, 2024 – May 24, 2025
Year 1 Annual Performance Reports Due	Subrecipients	July 8, 2025
Period of Performance Year Two	Subrecipients	May 25, 2025 – May 24, 2026
Site Visits and Monitoring	SD DANR	Any time during the performance period
Year 2 Annual Performance Reports Due	Subrecipients	July 8, 2026
Period of Performance Third (Final) Year	Subrecipients	May 25, 2026 – May 24, 2027
Latest possible project end date	Subrecipients	May 24, 2027
Submission of all final invoices	Subrecipients	October 31, 2026
Year 3 Final Report Due	Subrecipients	July 8, 2027

### c. Period of Performance Expectations

Selected grant recipients will enter a subrecipient agreement with the South Dakota Department of Agriculture and Natural Resources. That agreement will describe the commitments of each party for the duration of the project.

- Quarterly Reports: Projects will submit quarterly reports to SD DANR. These reports accompany reimbursement requests and communicate progress and challenges the subrecipient encounters. [RFSI Reporting Form](#)
- Annual Reports: Subrecipients will provide annual reports on the schedule shown in the timeline above. Annual reports describe the accomplishments and challenges of the previous year and the planned activities of the coming year. These reports also communicate budget status and keep the project focused on its objectives and outcomes. A project operating for the full three-year period will provide two annual reports and one final report.

- Note: Simplified Equipment-Only Grants will likely have a shorter period of performance since the sole funded activity is the purchase of a piece of equipment. Reporting schedule will be adjusted as appropriate for the project's timeline.
- Reimbursements: DANR will disburse grant funds to subrecipients on a reimbursement basis.
- DANR will discuss the provisions of the subrecipient agreement and expectations for the period of performance with subrecipients at the onset of the award term.

d. Standard Subrecipient Agreement Terms and Conditions

Any contract or agreement resulting from this RFP will include, at a minimum, the substance of the contract terms and conditions as set forth in Appendix B. However, as part of the negotiation process, the language of a specific term or condition listed in Appendix B could be modified upon agreement between the State and the vendor. Additional terms and conditions may be required. In their response, the vendor must identify any specific contract term or condition they wish to negotiate and provide a brief summary of their issue.

## Appendix A: Definitions

The following definitions are provided by the USDA AMS in the RFSI Program Scope and Requirements.

**Beginning Farmer or Rancher** is an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation.

**Cooperatives:** A business or service organization (1) that is owned and democratically controlled by the people who use its services and (2) whose benefits (services received and earnings allocations) are distributed to the user-owners based on how much they use the cooperative.

**Critical Resources:** Critical resources and infrastructure can be facilities, land, structure, use of city street/parks, shared-used kitchen, and/or other resources that are essential for the proposed project activities.

**Domestically Owned:** An entity organized in the United States under the law of the State, the states, or under Tribal jurisdiction where the entity operates, and a majority of the entity is owned by US citizens.

**Food Access Considerations:** Distinct cultural markets, marginalized communities, or defined by USDA as low-income low access.

**Hazard Analysis and Critical Control Points (HACCP):** HACCP provides a framework for establishments to conduct science-based process controls that can be validated as effective in eliminating, preventing, or reducing to an acceptable level the food safety hazards that are reasonably likely to occur in an official establishment's particular production processes.

**Historically Underserved Farmer or Rancher:** Four groups are defined by USDA as "Historically Underserved," including farmers or ranchers who are: Beginning; Socially Disadvantaged; Veterans; and Limited Resource as described at "[Historically Underserved Farmers and Ranchers](#)" | [Natural Resources Conservation Service \(usda.gov\)](#).

**Infrastructure Grant recipients:** RFSI subaward recipients who are awarded Infrastructure Grants by the Lead State Agency, who is the primary recipient.

**Institutions:** These include organizations such schools (K-12; colleges/universities), hospitals, food banks, gleaners, food rescue, workplace cafeterias, prisons, and care centers (senior, preschools).

**Intermediaries:** Includes aggregators, distributors, food hubs, brokers, auction houses, and wholesale

**Mid-Size Producers:** USDA defines small family farms as those with a Gross Cash Farm Income (GCFI) of less than \$350,000; mid-size farms have a GCFI of \$350,000 to \$999,999.

**Lead State Agency:** Governmental agency within the State or Territory which is coordinating the application. The Lead State Agency must be the governmental agencies, commissions, or departments that is responsible for agriculture within the State or Territory and with whom AMS has entered an RFSI cooperative agreement.

**Nonprofit Corporations:** Any organization or institution, including nonprofits with State or IRS 501 (c) status and accredited institutions of higher education, where no part of the organization or institution's net earnings inure to the benefit of any private shareholder or individual.

**Retail:** Includes businesses such as supermarkets, restaurants and caterers, and direct and other to retail markets (food cooperatives, small independent grocers, corner stores).

**Small Disadvantaged Business:** A business that is small according to SBA's size standards for its business type and that is 51% or more owned and controlled by one or more disadvantaged persons. The disadvantaged person or persons must be socially disadvantaged and economically disadvantaged. For the purposes of this designation, disadvantaged persons is defined per [eCFR :: 13 CFR 124.103 -- "Who is socially disadvantaged?"](#) as "Those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control." See "[Small Disadvantaged Business](#)" ([sba.gov](#)) for more information.

**Tribal Entities:** Tribal Entities is expansive and includes all entities falling under the eligible legal structures, including but not limited to: tribal owned corporations, intertribal non-profits and associations, Alaska Native Corporations, Native entities within the State of Alaska recognized by and eligible to receive services from the U.S. Department of the Interior's Bureau of Indian Affairs, Native Hawaiian organizations including Homestead Associations, State recognized tribes/non-profits, and individually-owned Native American entities.

**Tribe:** means the term as defined in the Federally Recognized Indian Tribe List Act of 1994 (Public Law 103-454; 108 Stat. 4791, 4792).

**Value-Added Agricultural Product:** means any agricultural commodity or product that:

- Has undergone a change in the physical state or form of the product, such as milling wheat into flour or making strawberries into jam.
- Is produced in a manner that enhances the value of the agricultural commodity or product.
- Is physically segregated in a manner that results in the enhancement of the value of that commodity or product, such as an identity preserved product.
- Is a source of farm- or ranch-based renewable energy, including E-85 fuel; or
- Is aggregated and marketed as a locally produced agricultural food product and, as a result of the change in physical state or the manner in which the agricultural commodity or product is produced and segregated, the customer base for the commodity or product is expanded and a greater portion of revenue derived from the marketing, processing, or physical segregation is made available to the producer of the commodity or product.

**Veteran Farmer or Rancher:** is a producer who served in the United States Army, Navy, Marine Corps, Air Force, or Coast Guard, including the reserve component thereof, was released from service under conditions other than dishonorable, and has not operated a farm or ranch or has operated a farm or ranch for no more than 10 years or who first obtained status as a veteran during the most recent 10- year period.

**Veteran-Owned Small Business:** A small business, as defined by the SBA size standard for its business type that has no less than 51% of the business owned and controlled by one or more

veterans. For those veterans who are permanently and totally disabled and unable to manage the daily business operations of their business, their business may still qualify if their spouse or appointed, permanent caregiver is assisting in that management. See ["Veteran contracting assistance programs" \(sba.gov\)](#) for more information.

**Women-Owned Small Business:** A small business according to SBA size standards for its business type that is at least 51% owned and controlled by women who are U.S. citizens; and have women manage day-to-day operations who also make long-term decisions. See ["Women-Owned Small Business Federal Contract program" \(sba.gov\)](#) for more information.

# Appendix B: Sample Standard Subrecipient Agreement Terms

**STATE OF SOUTH DAKOTA**  
**DEPARTMENT OF \_\_\_\_\_**  
**DIVISION OF \_\_\_\_\_**

## **Sub-Recipient Agreement Between**

State of South Dakota  
Department of  
DIVISION OF  
  
Pierre SD 57501

---

Referred to as Sub-Recipient or the Sub-Recipient

---

Referred to as State or the State

The State and Sub-Recipient hereby enter into this agreement (the "Agreement" hereinafter) for a grant award of Federal financial assistance to Sub-Recipient.

**A. REQUIRED AUDIT PROVISIONS FOR GRANT AWARDS:**

**1. FEDERAL AWARD IDENTIFICATION:**

Information for the Federal Award Identification, as described in 2 CFR 200.332(a) may be inserted below or may be included in an attached Exhibit A and, if attached, is incorporated herein. In the event of a change in the award or funding source, the information inserted below or included in Exhibit A may change. Sub-Recipient's consent shall not be required for the change in award or funding source and the change shall not be subject to the requirements for an amendment to this Agreement. In the event of a change, the State will provide updated information at least annually.

- a. Sub-recipient's name (which must match the name associated with its Unique Entity Identifier, referred to as Unique Entity ID (SAM)):
- b. Sub-Recipient's Unique Entity ID (SAM):
- c. Federal Award Identification Number (FAIN):
- d. Federal Award Date:
- e. Sub-award Period of Performance:
- f. Amount of federal funds obligated to the Sub-Recipient by this agreement:
- g. Total amount of federal funds obligated to the Sub-Recipient:
- h. Total amount of the federal award committed to the Sub-Recipient:
- i. The federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA), is as follows:

- j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity:
- k. CFDA No(s) and Name(s):
- l. Is the grant award for research and development (R&D)? YES \_\_\_ NO \_\_\_
- m. Indirect Cost Rate for federal award:

2. PERIOD OF PERFORMANCE OF THIS AGREEMENT:

This agreement shall be effective on \_\_\_\_\_ and will end on \_\_\_\_\_, unless sooner terminated pursuant to the terms hereof.

3. SCOPE OF WORK AND PERFORMANCE PROVISIONS: (add an addendum if needed; if an addendum is used it is incorporated herein):

- a. The Sub-Recipient will undertake and complete the work or performance described as:
- b. If the State will undertake or complete any work or performance under this Agreement, it is described as follows:

4. BASIS FOR SUBAWARD AMOUNTS:

This grant is made for the purpose of \_\_\_\_\_.

Amount provided by State/Grantor is	\$
Amount matched by Sub-Recipient	\$
Total Grant Amount	\$

5. RISK ASSESSMENTS, MONITORING AND REMEDIES:

Risk assessments will be ongoing throughout the project period. Sub-Recipient agrees to allow the State to monitor Sub-Recipient to ensure compliance with program requirements, to identify any deficiencies in the administration and performance of the award and to facilitate the same. At the discretion of the State, monitoring may include but is not limited to the following: On-site visits, follow-up, document and/or desk reviews, third-party evaluations, virtual monitoring, technical assistance and informal monitoring such as email and telephone interviews. As appropriate, the cooperative audit resolution process may be applied.

Sub-Recipient agrees to comply with ongoing risk assessments, to facilitate the monitoring process, and further, Sub-Recipient understands and agrees that the requirements and conditions under the grant award may change as a result of the risk assessment/monitoring process.

In the event of noncompliance or failure to perform under the grant award, the State has the authority to apply remedies, including but not limited to: temporary withholding payments, disallowances, suspension or termination of the federal award, suspension of other federal awards received by Sub-Recipient, debarment, or other remedies including civil and/or criminal penalties as appropriate.



6. RETENTION AND INSPECTION OF RECORDS:

The Sub-Recipient agrees to maintain or supervise the maintenance of records necessary for the proper and efficient operation of the program, including records and documents regarding applications, determination of eligibility (when applicable), the provision of services, administrative costs, and statistical, fiscal, and other information records necessary for reporting and accountability required by the State. The Sub-Recipient shall retain such records for a period of three years after the date of the submission of the final expenditure report.

If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. The three-year retention period may be extended upon written notice by the State. Records for real property and equipment acquired with Federal funds must be retained for three years after final disposition. When records are transferred to or maintained by the Federal awarding agency or the State, the three-year retention requirement is not applicable to the Sub-Recipient. In the event Sub-Recipient must report program income after the period of performance, the retention period for the records pertaining to the earning of the program income starts from the end of Sub-Recipient's fiscal year in which the program income is earned. In the event the documents and their supporting records consist of indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable, the following applies: (1) If submitted for negotiation - If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the State) to form the basis for negotiation of the rate, then the three -year retention period for its supporting records starts from the date of such submission. (2) If not submitted for negotiation - If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the State) for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the Sub-Recipient's fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

The State, through any authorized representative, shall have access to and the right to examine and copy all records, books, papers or documents related to services rendered under this Agreement and shall have access to personnel of the Sub-Recipient for purposes of interview and discussion related to the records, books, papers and documents. State Proprietary Information, which shall include all information disclosed to the Sub-Recipient by the State, shall be retained in Sub-Recipient's secondary and backup systems and shall remain fully subject to the obligations of confidentiality stated herein until such information is erased or destroyed in accordance with Sub-Recipient's established record retention policies.

All payments to the Sub-Recipient by the State are subject to site review and audit as prescribed and carried out by the State. Any over payment under this Agreement shall be returned to the State within thirty days after written notification to the Sub-Recipient.

7. AUDIT REQUIREMENTS:

If Sub-Recipient expends \$750,000 or more in federal awards during the Sub-Recipient's fiscal year, the Sub-Recipient must have an audit conducted in accordance with 2 CFR Part 200, Subpart F-Audit Requirements, by an auditor approved by the Auditor General to perform the audit. On continuing audit engagements, the Auditor General's approval should be obtained annually. Approval of an auditor must be obtained by forwarding a copy of the audit engagement letter to:

Department of Legislative Audit  
A-133 Coordinator  
427 South Chapelle  
% 500 East Capitol  
Pierre, SD 57501-5070

If the Sub-Recipient expends less than \$750,000 during any Sub-Recipient fiscal year, the State may perform a more limited program or performance audit related to the completion of the Agreement objects, the eligibility of services or costs, and adherence to Agreement provisions.

Audits shall be completed and filed with the Department of Legislative Audit by the end of the \_\_\_ month following end of the fiscal year being audited.

For either an entity-wide, independent financial audit or an audit under 2 CFR Part 200 Subpart F, the Sub-Recipient shall resolve all interim audit findings to the satisfaction of the auditor. The Sub-Recipient shall facilitate and aid any such reviews, examinations, agreed upon procedures etc., the State or its contractor(s) may perform.

Failure to complete audit(s) as required, including resolving interim audit findings, will result in the disallowance of audit costs as direct or indirect charges to programs. Additionally, a percentage of awards may be withheld, overhead costs may be disallowed, and/or awards may be suspended, until the audit is completely resolved.

The Sub-Recipient shall be responsible for payment of any and all audit exceptions which are identified by the State. The State may conduct an agreed upon procedures engagement as an audit strategy. The Sub-Recipient may be responsible for payment of any and all questioned costs, as defined in 2 C.F.R. 200.84, at the discretion of the State.

Notwithstanding any other condition of the Agreement, the cooperative audit resolution process applies, as appropriate. The books and records of the Sub-Recipient must be made available if needed and upon request at the Sub-Recipient's regular place of business for audit by personnel authorized by the State. The State and/or federal agency has the right to return to audit the program during performance under the grant or after close-out, and at any time during the record retention period, and to conduct recovery audits including the recovery of funds, as appropriate.

If applicable, Sub-Recipient agrees to comply in full with the administrative requirements and cost principles as outlined in OMB uniform administrative requirements, cost principles, and audit requirements for federal awards – 2CFR Part 200 (Uniform Administrative Requirements).

8. SUB-RECIPIENT ATTESTATION:

By signing this Agreement, Sub-Recipient attests to the following requirements as set forth in SDCL § 1-56-10:

- (A) A conflict of interest policy is enforced within the recipient's or sub-recipient's organization;
- (B) The Internal Revenue Service Form 990 has been filed, if applicable, in compliance with federal law, and is displayed immediately after filing on the recipient's or sub-recipient's website;
- (C) An effective internal control system is employed by the recipient's or sub-recipient's organization; and
- (D) If applicable, the recipient or sub-recipient is in compliance with the federal Single Audit Act, in compliance with § 4-11-2.1, and audits are displayed on the recipient's or sub-recipient's website.

Sub-Recipient further represents that any and all concerns or issues it had in complying with the foregoing attestations were provided to the State and resolved to their satisfaction prior to signing this Agreement.

If Sub-recipient is a non-state agency they agree to disclose to the State, in writing, any conflicts of interest that exist under the Sub-recipient's conflict of interest policy. The State will publicly post any disclosed conflicts of interest along with the corresponding grant agreement on the OpenSD website.

In the event of a significant change in the conflict of interest policy, sub-recipient agrees to provide immediate notice of such change to the State, and provide a copy of the new conflict of interest policy. Sub-recipient understands that any change in the conflict of interest policy may result in a change in their monitoring or other performance requirements under the grant and expressly agrees to comply with those changes and to facilitate any additional monitoring as required by the State.

#### 9. CLOSEOUT:

- a. For purposes of this Agreement, "Date of Completion" shall mean the date when the Agreement expires pursuant to its terms or is terminated in accordance with paragraph \_\_\_\_.
- b. The Sub-Recipient shall submit a final financial report to the State. Within the limits of the Agreement amount, the State may make upward or downward cost adjustments on the basis of the information contained in the report. Agreement obligations will remain in force until all final reports are reviewed and approved by the State.
- c. The Sub-Recipient, along with the final financial report, will refund to the State any unexpended funds or unobligated (unencumbered) cash advances.
- d. All outstanding obligations (encumbered funds) which have not been paid out as of the Date of Completion must be liquidated prior to the submission of the final report.
- e. Whether or not audits were conducted during the Agreement term, a final financial and compliance audit may be initiated up to three years after the date the State approves the final financial report.
- f. If either the final financial report or the final audit discloses an overpayment to the Sub-Recipient, the State may, at its option, either require the Sub-Recipient to repay the overpayment to the State or deduct the amount of overpayment from monies due the Sub-Recipient under this Agreement or under any other agreement between the Sub-Recipient and the State.
- g. The Sub-Recipient shall provide, along with the final financial report, a written accounting of property acquired with Agreement funds or received from the State.

#### B. STANDARD CLAUSES

##### 10. ASSURANCE REQUIREMENTS:

The Sub-Recipient agrees to abide by all applicable provisions of the following: Byrd Anti Lobbying Amendment (31 USC 1352), Debarment and Suspension (Executive Orders 12549 and 12689 and 2 C.F.R. 180), Drug-Free Workplace, Executive Order 11246 Equal Employment Opportunity as amended by Executive Order 11375 and implementing regulations at 41 C.F.R. part 60, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Drug Abuse Office and Treatment Act of 1972, Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, Pro-Children Act of 1994, Hatch Act, Health Insurance Portability and Accountability Act (HIPAA) of 1996 as amended, Clean Air Act, Federal Water Pollution Control Act, Charitable Choice Provisions and Regulations, Equal Treatment for Faith-Based Religions at Title 28 Code of Federal Regulations Part 38, the Violence Against Women Reauthorization Act of 2013 and American Recovery and Reinvestment Act of 2009, as applicable; and any other nondiscrimination provision in the specific statute(s) under which application for Federal assistance is being made; and the requirements of any other nondiscrimination statute(s) which may apply to the award.

11. SUB-RECIPIENT IDENTIFICATION:

Upon execution of this Agreement, Sub-Recipient will provide the State with Sub-Recipient's Employer Identification Number, Federal Tax Identification Number or Social Security Number.

12. USE OF EQUIPMENT, SUPPLIES AND FACILITIES:

Sub-Recipient will not use State equipment, supplies or facilities.

Except as to the following, Sub-Recipient will not use State equipment, supplies or facilities:

13. THIRD PARTY BENEFICIARIES:

This Agreement is intended to govern only the rights and interests of the parties named herein. It is not intended to create, does not and may not be relied upon to create, any rights, substantive or procedural, enforceable at law by any third party in any matters, civil or criminal.

14. COST PRINCIPLES:

If applicable, Sub-Recipient agrees to comply in full with the administrative requirements and cost principles as outlined in OMB uniform administrative requirements, cost principles, and audit requirements for federal awards – 2CFR Part 200 (Uniform Administrative Requirements).

15. TERMINATION:

This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Sub-Recipient breaches any of the terms or conditions hereof, this agreement may be terminated by the State for cause at any time, with or without notice. Upon termination of this agreement, all accounts and payments shall be processed according to financial arrangements set forth herein for services rendered to date of termination.

16. FUNDING:

This contract depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of the law or federal funds reduction, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

17. ASSIGNMENT AND AMENDMENT:

This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

18. CONTROLLING LAW:

This Contract shall be governed by and construed in accordance with the laws of the State of South Dakota, without regard to any conflicts of law principles, decisional law, or statutory provision which would require or permit the application of another jurisdiction's substantive law. Venue for any lawsuit pertaining to or affecting this Agreement shall be in the Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

19. MERGER:

All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

20. SEVERABILITY:

In the event that any provision of this Agreement shall be held unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement, which shall remain in full force and effect.

21. NOTICE:

Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to the Division being contracted with on behalf of the State, and by the Sub-Recipient, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

22. SUBCONTRACTORS/SUB-SUB-RECIPIENTS:

The Sub-Recipient will not use subcontractors or other sub-recipients to perform work under this Agreement without the express prior written consent from the State. The State reserves the right to complete a risk assessment on any proposed sub-contractor or sub-recipient and to reject any person or entity presenting insufficient skills or inappropriate behavior.

The Sub-Recipient will include provisions in its subcontracts or sub-grants requiring its subcontractors and sub-recipients to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Sub-Recipient will cause its subcontractors, sub-recipients, agents, and employees to comply with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance. The State, at its option, may require the vetting of any subcontractors and sub-recipients. The Sub-Recipient is required to assist in this process as needed.

23. CONFLICT OF INTEREST:

Sub-Recipient agrees to establish safeguards to prohibit any employee or other person from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain as contemplated by SDCL 5-18A-17 through 5-18A-17.6. Any potential conflict of interest must be disclosed in writing and approved, in writing, by the State. In the event of a conflict of interest, the Sub-Recipient expressly agrees to be bound by the conflict of interest resolution process set forth in SDCL § 5-18A-17 through 5-18A-17.6.

24. TERMS:

By accepting this Agreement, the Sub-Recipient assumes certain administrative and financial responsibilities. Failure to adhere to these responsibilities without prior written approval by the State shall be a violation of the terms of this Agreement, and the Agreement shall be subject to termination.

25. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION:

Sub-Recipient certifies, by signing this Agreement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or any state or local government department or agency. Sub-Recipient further agrees that it will immediately notify the State if during the term of this Agreement it or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

26. COMPLIANCE WITH EXECUTIVE ORDER 2020-01:

By entering into this Agreement, Sub-Recipient certifies and agrees that it has not refused to transact business activities, it has not terminated business activities, and it has not taken other similar actions intended to limit its commercial relations, related to the subject matter of this Agreement, with a person or entity that is either the State of Israel, or a company doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or doing business in the State of Israel, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Sub-Recipient further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification, and agrees such noncompliance may be grounds for termination of this Agreement.

27. COMPLIANCE WITH EXECUTIVE ORDER 2023-13

Sub-Recipient (i) understands neither a state legislator nor a business in which a state legislator has an ownership interest may be directly or indirectly interested in any contract with the State that was authorized by any law passed during the term for which that legislator was elected, or within one year thereafter, and (ii) has read South Dakota Constitution Article 3, Section 12 and has had the opportunity to seek independent legal advice on the applicability of that provision to this Agreement. By signing this Agreement, Sub-Recipient hereby certifies that this Agreement is not made in violation of the South Dakota Constitution Article 3, Section 12.

28. COMPLIANCE WITH SDCL CH. 5-18A:

Sub-Recipient certifies and agrees that the following information is correct:

The bidder or offeror is not an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates, of those entities or business associations, regardless of their principal place of business, which is ultimately owned or controlled, directly or indirectly, by a foreign parent entity from, or the government of, the People's Republic of China, the Republic of Cuba, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Russian Federation, or the Bolivarian Republic of Venezuela.

It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the purchasing agency to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response, and further would be cause to suspend and debar a business under SDCL § 5-18D-12.

The successful bidder or offeror further agrees to provide immediate written notice to the purchasing agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination and would be cause to suspend and debar a business under SDCL § 5-18D-12.

C. AGENCY OR GRANT SPECIFIC CLAUSES

29. This agreement is the result of request for proposal process, RFP # \_\_\_\_\_

30. Does this agreement involve Protected Health Information (PHI)? YES ( ) NO (X)  
If PHI is involved, a Business Associate Agreement must be attached and is fully incorporated herein as part of the agreement (refer to attachment) .

31. PROPERTY MANAGEMENT STANDARDS:

The Sub-Recipient agrees to observe Federal Government uniform standards governing the utilization of property whose cost was charged to a project supported by a Federal grant.

32. TECHNICAL ASSISTANCE:

The State agrees to provide technical assistance regarding the State's rules, regulations, and policies to the Sub-Recipient and to assist in the correction of problem areas identified by the State's monitoring activities.

33. LICENSING AND STANDARD COMPLIANCE:

The Sub-Recipient agrees to comply in full with all federal, state, tribal, and local statutes, regulations ordinances, guidelines, permits, requirements and other standards applicable to the service provided under this Agreement and will be solely responsible for obtaining information regarding the foregoing. The Sub-Recipient will maintain effective internal controls in managing the federal award. Liability resulting from the failure to comply with all federal, state, tribal and local statutes, regulations, ordinances, guidelines, permits, requirements and standards is assumed entirely by the Sub-Recipient.

34. IT STANDARDS:

Any software or hardware provided under this agreement will comply with state standards which can be found at <http://bit.sd.gov/standards/>.

35. INDEMNIFICATION:

Sub-recipient agrees to indemnify the State of South Dakota, its officers, agents, and employees, from and against all claims or proceedings for actions, suits, damages, liabilities, other losses or equitable relief that may arise at least in part as a result of an act or omission in performing services under this Agreement. Sub-recipient shall defend the State of South Dakota, its officers, agents, and employees against any claim, including any claim, action, suit, or other proceeding related to the claim. Sub-recipient's obligation to indemnify includes the payment of attorney fees and other costs of defense. In defending the State of South Dakota, its officers, agents, and employees, Sub-recipient shall engage other professionals, subject to the written approval of the State which shall not be unreasonably withheld. Notwithstanding the foregoing, the State may, in its sole discretion and at the expense of Sub-recipient, engage attorneys and other professionals to defend the State of South Dakota, its officers, agents, and employees, or to assist Sub-recipient in the defense. This section does not require Sub-recipient to be responsible for or defend against claims or proceedings for damages, liabilities, losses or equitable relief arising solely from errors or omissions of the State, its officers, agents or employees.

36. INSURANCE:

At all times during the term of this Agreement, Sub-Recipient shall obtain and maintain in force insurance coverage of the types and with the limits as follows:



A. Commercial General Liability Insurance:

The Sub-Recipient shall maintain occurrence-based commercial general liability insurance or an equivalent form with a limit of not less than \$1,000,000 for each occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit. The insurance policy shall name the State of South Dakota, its officers and employees, as additional insureds, but liability coverage is limited to claims not barred by sovereign immunity. The State of South Dakota, its officers and employees do not hereby waive sovereign immunity for discretionary conduct as provided by law.

B. Business Automobile Liability Insurance:

The Sub-Recipient shall maintain business automobile liability insurance or an equivalent form with a limit of not less than \$500,000 for each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. The insurance policy shall name the State of South Dakota, its officers and employees, as additional insureds but liability coverage is limited to claims not barred by sovereign immunity. The State of South Dakota, its officers and employees do not hereby waive sovereign immunity for discretionary conduct as provided by law.

C. Worker's Compensation Insurance:

The Sub-Recipient shall procure and maintain Workers' Compensation and employers' liability insurance as required by South Dakota law.

D. Professional Liability Insurance:

Sub-recipient agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than one million dollars (\$1,000,000 ).

Before beginning work under this Agreement, Sub-Recipient shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement including naming the State of South Dakota, its officers and employees, as additional insureds, as set forth above. In the event of a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, Sub-Recipient agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Sub-Recipient shall furnish copies of insurance policies if requested by the State.

### 37. CONFIDENTIALITY OF INFORMATION:

For the purpose of this paragraph, "State Proprietary Information" shall include all information, regardless of its format, disclosed to the Sub-Recipient by the State. Sub-Recipient acknowledges that it shall have a duty to not disclose any State Proprietary Information to any third person for any reason without the express written permission of a State officer or employee with authority to authorize the disclosure. Sub-Recipient shall not: (i) disclose any State Proprietary Information to any third person unless otherwise specifically allowed under this contract; (ii) make any use of State Proprietary Information except to exercise rights and perform obligations under this contract; (iii) make State Proprietary Information available to any of its employees, officers, agents or consultants except those who have agreed to obligations of confidentiality at least as strict as those set out in this contract and who have a need to know such information and who have been instructed that such information is or may be confidential under state or federal law. Sub-Recipient is held to the same standard of care in guarding State Proprietary Information as it applies to its own confidential or proprietary information and materials of a similar nature, and no less than holding State Proprietary Information in the strictest confidence. Sub-Recipient shall protect confidentiality of State Proprietary Information from the time of receipt to the time that such information is either returned to the State or destroyed to the extent that it cannot be recalled or reproduced. State Proprietary Information shall not include information that (i) was in the public domain at the time it was disclosed to Sub-Recipient; (ii) was known to Sub-Recipient without restriction at the time of disclosure from the State; (iii) that is disclosed with the prior written approval of State's officers or employees having authority to disclose such information; (iv) was



independently developed by Sub-Recipient without the benefit or influence of the State's information; or (v) becomes known to Sub-Recipient without restriction from a source not connected to the State of South Dakota. State Proprietary Information may include names, social security numbers, employer numbers, addresses and all other data about applicants, employers or other clients to whom the State provides services of any kind. Sub-Recipient understands that State Proprietary Information may be confidential and protected under applicable state or federal law and agrees to immediately notify the State if the Information is disclosed, either intentionally or inadvertently. Sub-Recipient acknowledges that the State and its agencies are public entities and thus are bound by South Dakota open meetings and open records laws. It is therefore not a breach of this agreement for the State to take any action that the State reasonably believes is necessary to comply with the South Dakota open records or open meetings laws, including but not limited to posting this Agreement on the State of South Dakota's website. If work assignments performed in the course of this Agreement require additional security requirements or clearance, Sub-Recipient agrees that its officers, agents and employees may be required to undergo investigation or may be required to sign separate confidentiality agreements, and it will limit access to the confidential information and related work activities to employees that have executed such agreements.

Sub-Recipient agrees to remove any employee or agent from performing work under this Agreement that has or is suspected to have violated the terms of this Confidentiality paragraph and to immediately notify the State of such matter.

Sub-Recipient will comply with any other confidentiality measures and terms included in the Agreement.

Upon termination of this Agreement, if not already done so as part of the services performed under the Agreement, Sub-Recipient agrees to return to the State, at Sub-Recipient's cost, any State Proprietary Information or documentation maintained by Sub-Recipient regarding the services provided hereunder in a format readily useable by the State as mutually agreed by Sub-Recipient and State.

Sub-recipient acknowledges that the State shares general information, including performance information, about Sub-recipient among and between other State agencies upon request of such agencies for the purpose of making determinations of the risk involved with potential, subsequent grant awards and for other purposes. Sub-recipient expressly consents and agrees to such uses by the State.

**D. AUTHORIZED SIGNATURES:**

In witness hereto, the parties signify their agreement by affixing their signatures hereto.

_____ Sub-Recipient Signature	_____ Date
_____ State - INSERT TITLE	_____ Date
_____ State - INSERT TITLE	_____ Date
_____ State- Cabinet Secretary	_____ Date