

Special Award Conditions

Award Number: NT10BIX5570136

Amendment Number: 4

1) GovNET SAC

1. Match

Under the terms and conditions of the award, GovNET is required to provide 24.38% in matching funds. Prior to the suspension of the award, GovNET had not yet secured the requisite matching funds required under its award, nor the statutory minimum requirement of 20 percent. GovNET's May 4, 2012 email response to NTIA's request for updated match information revealed that (1) GovNET's match depends upon about (b) (4) leases that have not yet been signed; and (2) (b) (5) leases GovNET has received (and intends to count as match) are from community anchor institution sites that have not yet been approved as part of the project. Additionally, a promised (b) (4) not yet been executed and GovNET's projected (b) (4) of program income appears to be at risk.

To protect federal funds, NOAA and NTIA must have confidence that GovNET can meet its required matching contribution before work may resume on this project.

2. Potential Lobbying

During the June 12-13, 2012 site visit, NOAA and NTIA became concerned that payments to vendor (b) (4) (b) (4) may include lobbying costs, based on interviews with GovNET employees and the nature of (b) (4) business. The use of federal funds for lobbying activities in connection with a covered action is a criminal violation. Even when not performed in connection with a covered action, most lobbying costs are unallowable under the applicable cost principles.

3. Disallowed and Questioned Costs

As noted in the June 1, 2012 Suspension of Award letter, under the terms and conditions of GovNET's BTOP award, all costs charged to the award must be reasonable, allocable, and consistent with the required accounting standards, the terms of the award, and the cost principles at 48 C.F.R. subpart 31.2. GovNET must also maintain and follow written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

After a thorough review of GovNET's reimbursement requests and invoices during the site visit, NOAA and NTIA have identified (b) (4) in questioned costs charged to the award. These costs and NOAA and NTIA's basis for disallowing or questioning them are listed in Appendix B.

Due Date: 09/04/2012

