

RESOLUTION NO. 2373

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERGOVERNMENT AGREEMENT BETWEEN THE CITY OF WILSONVILLE AND THE CLACKAMAS COUNTY DEPARTMENT OF HEALTH, HOUSING AND HUMAN RESOURCES FOR THE EXPANSION AND RENOVATION OF THE WILSONVILLE COMMUNITY CENTER KITCHEN PROJECT.

WHEREAS, on November 21, 2011, the City Council approved Resolution No. 2335 authorizing city staff to make application for a Community Development Block Grant for the expansion of the Wilsonville Community Center kitchen project; and

WHEREAS, in April of 2012 the Board of County Commissioners determined that the project is eligible for Community Development Block Grant (CDBG) funds in the amount of \$235,000; and

WHEREAS, the Friends of the Center have raised, through donations and fund-raising events and through the general fund, contributions equaling approximately \$45,000 which exceeds the required 20 percent match obligation of the block grant; and

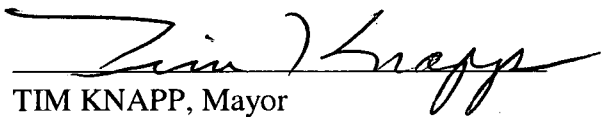
WHEREAS, the City's budget for fiscal year 2012/2013 includes general fund funding in the amount of \$55,000 for project 8085 (Community Center kitchen expansion) and \$45,000 for project 8092 (grease trap replacement and flooring replacement) to fund the balance of these improvements; and

WHEREAS, the City Council authorizes the City Manager to enter into an intergovernmental agreement between Clackamas County and the City of Wilsonville for the acceptance of the community block grant funding.


NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. That the City Council does hereby approve and authorize the City Manager to sign an intergovernmental agreement between Clackamas County and the City of Wilsonville, a copy of which is marked "Exhibit A" and attached hereto and incorporate herein, to provide funding for the Wilsonville Community Center Kitchen Project.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 18th day of June 2012, and filed with the Wilsonville City Recorder this date.


TIM KNAPP, Mayor

ATTEST:


Sandra C. King, City Recorder, MMC

SUMMARY OF VOTES:

Mayor Knapp	Yes
Councilor Nunez	Excused
Councilor Goddard	Yes
Councilor Starr	Yes

List of Exhibits

Exhibit A – Clackamas County Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY DEPARTMENT OF
HEALTH, HOUSING AND HUMAN RESOURCES
COMMUNITY DEVELOPMENT DIVISION
AND
THE CITY OF WILSONVILLE

I. Purpose

- A. This Agreement is entered into between Clackamas County, acting by and through its Community Development Division (COUNTY) and the City of Wilsonville (CITY) for the cooperation of units of local government under the authority of ORS 190.010.
- B. This Agreement provides for the design and construction of expansion and renovations at the Wilsonville Senior Center Kitchen located at 7965 SW Wilsonville Road in Wilsonville. These improvements are herein referred to as the PROJECT.
- C. The COUNTY has determined that the PROJECT is eligible for Community Development Block Grant (CDBG) funds as a Low-Mod Limited Clientele Activity – Presumed Benefit.

II. Scope of Responsibilities

- A. Under this Agreement the responsibilities of the CITY shall be as follows:
 - 1. The CITY shall provide all necessary supervisory and administrative support to assist the COUNTY with the completion of the PROJECT.
 - 2. The CITY shall obtain any easements or approvals necessary to allow access onto private property. Acquisition of any easement shall be obtained pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).
 - 3. The CITY shall provide Architecting services for the design and construction oversight of the PROJECT. Such services shall be provided at no cost to the COUNTY. The CITY shall assume responsibility for ensuring the following:
 - a. The CITY shall hire a registered professional Architect (herein after referred to as Architect) to prepare all plans and specifications necessary to publicly bid the PROJECT for award to a construction contractor (herein after referred to as Contractor) and provide construction oversight.
 - b. The CITY shall require the Architect to maintain comprehensive general (including contractual liability) and automobile liability insurance in the amount of not less than \$500,000 combined single limit per occurrence/\$1,000,000 general annual aggregate for personal injury and property damage for the protection of the County, its officers, commissioners and employees against

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liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, in any way related to Architect's or any of Architect's subcontractor's performance of this Agreement.

- c. The CITY shall require the Architect to maintain professional liability insurance in an amount of not less than \$1,000,000 per claim. Such insurance shall include limited contractual liability coverage. The Architect shall endeavor to use good faith in order to maintain in force such coverage for not less than three (3) years following completion of the PROJECT. The COUNTY, at its option, may require a complete copy of the above policy and evidence of required coverage.
- d. The CITY shall require the Architect to include the County as an additional insured and refer to and support the Architect's obligation to hold harmless the County, its officers, commissioners and employees. Such insurance shall provide 30 days' written notice to the COUNTY in the event of cancellation, non-renewal, or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the County under this insurance. The insurance company will provide written notice to the COUNTY within thirty (30) days after any reduction on the general annual aggregate limit.
- e. The CITY agrees to require the Architect to furnish the COUNTY evidence of the insurance required in II.A.3 (b) and (c).
- f. The CITY shall ensure that the Architect's responsibilities include, but are not limited to, the following:
 - (1) During construction the Architect shall endeavor to guard the COUNTY against apparent defects and deficiencies in the permanent work constructed by the Contractor.
 - (2) All reports and recommendations concerning construction shall be submitted to the COUNTY for their approval. The COUNTY agrees that no decisions affecting construction shall be made without CITY approval.
 - (3) In the event modifications to the construction contract, which result in an increase in the contract amount, are made without the prior approval of the COUNTY, CITY shall be solely responsible for these modifications.
4. The CITY shall operate and maintain the improvements for public purposes for their useful life subject to the limitations on the expenditure of funds by the CITY as provided by Oregon Statute.
5. The CITY will bear the risk of loss from fire, extended coverage, and will purchase and maintain property insurance on all affected CITY property. The CITY will bear the risk of loss from accidents coverable by owner's liability insurance and may, at its option, maintain such insurance.
6. The CITY shall provide all necessary supervisory and administrative support to assist the COUNTY with the completion of the PROJECT. The CITY will submit to COUNTY for its approval all reports and recommendations concerning construction of PROJECT. The COUNTY will submit to CITY for its approval all of COUNTY's decisions affecting construction. Both parties agree that their approval may not be

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unreasonably delayed withheld or conditioned and will be deemed given within 7 business days of receiving written request for approval from the other party or its agent, if such party has not given written disapproval and the specific basis for same within such 7 day period.

7. Upon completion of the PROJECT the CITY
 - a. agrees to accept the improvements
 - b. agrees to become the successor of the Construction Contract, and
 - c. agrees to continue operating the property as a Senior Community Center facility.
 8. The CITY agrees to report to the COUNTY information on the number of seniors participating in activities at the senior community center. The report shall cover the period between July 1 to June 30 for each year or partial year until completion of the PROJECT. The report format shall be provided by the COUNTY and shall be submitted to the COUNTY no later than the 31st day of August (ATTACHMENT A).
 9. The CITY agrees to maintain ownership of the property for the life of the PROJECT.
 10. The CITY agrees to inform the COUNTY in writing prior to making any change in the use of the property. Should the new use not meet HUD eligibility criteria, and/or the clients no longer meet the HUD income guidelines the CITY shall reimburse COUNTY as provided in 24 CFR Part 570.505. Said provision is attached as ATTACHMENT C and hereby made a part of this Agreement.
 11. Should the property be sold and converted to a non-qualifying use the CITY agrees to reimburse the COUNTY as provided in 24 CFR Part 570.505.
 12. The CITY shall complete and submit a Matching Funds Report following completion of the PROJECT. (ATTACHMENT B)
- B. Under this Agreement the responsibilities of the COUNTY will be as follows:
1. The COUNTY agrees to provide and administer available Federal Community Development Block Grant (CDBG) funds (CFDA 14.218) granted by the U.S. Department of Housing and Urban Development (HUD) to finance the PROJECT.
 2. The COUNTY will appropriately bid and contract for construction of the PROJECT. In this contract the COUNTY will act as the Owner and shall assume all of the Owners rights and responsibilities.
 3. The COUNTY with the advice of the CITY, will approve changes, modifications, or amendments as necessary to serve the public interest.
 4. The COUNTY shall provide reasonable and necessary staff for administration of the PROJECT. A Project Coordinator from the County's Community Development Division will assist with the project management, coordination and contract administration.
 5. The responsibilities of the Project Coordinator shall include:
 - a. Prepare a Bid Packet to be advertised in a local contractor's publication;
 - b. Conduct the Bid Opening on the date determined by all PARTIES;
 - c. Hire a General Contractor via the lowest responsible and responsive bidder;

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- d. Issue a Notice to Proceed after the Construction Contract is approved;
 - e. Conduct a Pre-Construction Conference with the General Contractor and CITY, and the Architect;
 - f. Coordinate with the Architect, CITY and General Contractor throughout General Contractor's performance of the Work;
 - g. Administration of federal and state prevailing wage requirements;
 - h. Closeout Paperwork and all federal reporting requirements;
 - i. With the Approval of the Architect and both PARTIES;
 - (1) Make payment to the General Contractor
 - (2) Release retainage funds to the General Contractor as appropriate;
 - j. Notify CITY of their responsibilities for all warranty related issues after the Release of Retainage.
6. The COUNTY shall conduct and provide necessary environmental review(s) described in 24 CFR 570.604 of the CDBG regulations for compliance with the CDBG program.
- C. The COUNTY and CITY agree to jointly review and approve all design, material selection, and contract documents for the PROJECT.

III. Budget & Financial

- A. The COUNTY will apply CDBG funds in the amount of \$235,000 to the PROJECT. The obligations of the COUNTY are expressly subject to the COUNTY receiving funds from HUD for the PROJECT, and in no event shall the COUNTY'S financial contribution exceed the amount finally granted, released and approved by HUD for this project.
- B. The CITY agrees to contribute the greater of:
 1. Twenty percent (20%) of the total cost of the PROJECT, or
 2. All costs for design and construction which exceed available CDBG funds budgeted for the PROJECT.
- C. In the event the PROJECT can not be completed with available funds the COUNTY and CITY will jointly determine the priorities of the improvements to be made within funding limits.
- D. The CITY shall be credited towards the matching requirements stated in Part III. C. an amount equal to **10%** of the final construction cost for providing architectural services as detailed in Part II. A. 3.
- E. In no event shall CITY'S financial participation be less than twenty percent (20%) of the PROJECT costs. PROJECT Costs include final construction costs which is defined as original construction amount plus approved change orders, and the credit for architectural services.
- F. In the event that unforeseeable conditions arise which necessitate the execution of a change in the amount of the construction contract, the CITY and the COUNTY will jointly evaluate the circumstances surrounding the conditions. Upon approval by the

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CITY and the COUNTY, the COUNTY shall instruct the Contractor to execute a change order.

- G. In the event a contractor is entitled to payments for work completed after \$235,000 in CDBG funds have been expended, the COUNTY shall request a transfer of funds from the CITY for the amount necessary to make such payments.
- H. The CITY in payment of PROJECT costs shall remit requested funds to the Community Development Division within Twenty-One (21) working days of the invoice by the COUNTY. All checks shall be made payable to Clackamas County and mailed to the following address:

Attn: Toni Hessevick
Public Services Building-Department of Finance
2051 Kaen Road, 4th Floor
Oregon City, OR 97045

IV. Liaison Responsibility

Martin Brown will act as liaison from the CITY for the PROJECT. Mark Sirois will act as liaison from the COUNTY.

V. Special Requirements

- A. Law and Regulations. The COUNTY and CITY agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.
- B. Public Contracting Requirements. To the extent applicable, the provisions of ORS 279B.220, 279B.225, 279B.230, and 279B.235 are incorporated by this reference as though fully set forth.
- C. Relationship of Parties. Each party is an independent contractor with regard to the other party. Neither party is an agent or employee of the other. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- D. Indemnification. Subject to the limits of the Oregon Tort Claims Act, and Oregon Constitution each of the parties agrees to hold harmless and indemnify the others, and their elected and appointed officials, agents, and employees, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising on account of personal injuries, death or damage to property caused by or resulting from their own acts or omissions or those of their officials, agents and employees provided however, upon completion of the improvements, the CITY will assume all responsibility for claims made thereafter against the COUNTY or its officers, agents or employees pertaining to the design and construction of the Project, and will indemnify and defend them therefore. The COUNTY will assign its indemnity rights against the Contractor to the CITY upon completion of PROJECT and will include the right of assignment in the construction contract for the PROJECT between the Contractor and the COUNTY.

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- E. Notice. Each party shall give the other immediate written notice of any action or suit filed or any claim made against the party which may result in litigation in any way related to this Agreement.
- F. Record and Fiscal Control System. All payroll and financial records pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible. Such records and documents shall be retained for a period of three (3) years after receipt of final payment under this Agreement; provided that any records and documents that are the subject of audit findings shall be retained for a longer time until such audit findings are resolved.
- G. Access to Records. The COUNTY, the State of Oregon and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the CITY which are directly pertinent to the Agreement for the purpose of making audit, examination, excerpts, and transcripts.
- H. Debt Limitation. This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent. Obligations of the COUNTY are also expressly subject to the COUNTY receiving funds from HUD for this project and in no event shall the COUNTY's financial contribution exceed the amount finally granted, released and approved by HUD for this project.
- I. Conflict of Interest. No officer, employee, or agent of the CITY or COUNTY who exercises any functions or responsibilities in connection with the planning and carrying out of the Block Grant Program, or any other person who exercises any functions or responsibilities in connection with the program, shall have any personal financial interest, direct or indirect, in the use of the funds provided pursuant to this Agreement, and the Parties shall take appropriate steps to assure compliance. The Parties will insure that no contractor, subcontractor, contractor's employee or subcontractor's employee has or acquires any interest, direct or indirect, which would conflict in any manner or degree with the performance of his services.
- J. Insurance. The CITY will bear the risk of loss from fire, extended coverage, and will purchase and maintain property insurance on all affected CITY property. The CITY will bear the risk of loss from accidents coverable by owner's liability insurance and may, at its option, maintain such insurance. If applicable, the CITY shall be required to maintain flood insurance. Each party agrees to maintain insurance, or self-insurance, in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.270.
- K. Nondiscrimination. The CITY and the COUNTY agree to comply with all Federal, State, and local laws prohibiting discrimination on the basis of age, sex, marital status, race, creed, color, national origin, familial status, or the presence of any mental or physical handicap. These requirements are specified in ORS chapter 659; Section 109 of the Housing and Community Development Act of 1974; Civil Rights Act of 1964, Title VII; Fair Housing Amendments Act of 1988; Executive Order 11063; Executive Order 11246;

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and Section 3 of the Housing and Urban Development Act of 1968; all as amended; and the regulations promulgated thereunder.

- L. Handicapped Accessibility. The CITY agrees that all improvements made under this Agreement shall comply with standards set for facility accessibility by handicapped persons required by the Architectural Barriers Act of 1968, as amended. Design standards for compliance are contained in 24 CFR 8.31-32 and the document entitled Uniform Federal Accessibility Standards published by HUD in April, 1988 as a joint effort with other Federal agencies.
- M. Nonsubstituting for Local Funding. The CDBG funding made available under this Agreement shall not be utilized by the CITY to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of funds under this Agreement.
- N. Evaluation. The CITY agrees to participate with the COUNTY in any evaluation project or performance report, as designed by the COUNTY or the appropriate Federal department, and to make available all information required by any such evaluation process.
- O. Audits and Inspections. The CITY will ensure that the COUNTY, the Secretary of HUD, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to all books, accounts, records, reports, files, and other papers or property pertaining to the funds provided under this agreement for the purpose of making surveys, audits, examinations, excerpts, and transcripts.
- P. Acquisition. If completion of the project requires acquisition of any real property the parties agree to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.
- Q. Change of Use. The CITY agrees to comply with applicable change of use provisions contained in 24 CFR 570.505 (refer to Attachment C).
- R. Reversion of Assets. Upon expiration or termination of this Agreement, CITY shall transfer to County any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Also for any real property under DISTRICT'S control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to CITY in the form of a loan) in excess of \$25,000 shall ensure said real property is either:
 - 1. Used to meet one of the National Objectives in CFR 570.208 for the term of this Agreement; or
 - 2. Not used to meet on the National Objectives for the term of this Agreement, in which event, the CITY shall pay to COUNTY an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

VI. Amendment

This Agreement may be amended at any time with the concurrence of both Parties. Amendments become a part of this Agreement only after the written amendment has been signed by both Parties.

VII. Term of Agreement

- A. This Agreement becomes effective when it is signed by both Parties.
- B. The term of this Agreement is a period beginning when it becomes effective and ending fifteen (15) years after completion of the PROJECT.
- C. This Agreement may be suspended or terminated prior to the expiration of its term by:
 - 1. Written notice provided to the COUNTY from the CITY before any materials or services for improvements are procured, or;
 - 2. Written notice provided by the COUNTY in accordance with 24 CFR 85.43, included as Attachment D, resulting from material failure by the CITY to comply with any term of this Agreement, or;
 - 3. Mutual agreement by the COUNTY and CITY in accordance with 24 CFR 85.44.
- D. Upon completion of improvements or upon termination of this Agreement, any unexpended balances of CDBG funds shall remain with the COUNTY.

THE CITY OF WILSONVILLE

CLACKAMAS COUNTY

Chair: Charlotte Lehan
Commissioner Jim Bernard
Commissioner Jamie Damon
Commissioner Ann Lininger
Commissioner Paul Savas

Signing on Behalf of the Board.

City Manager

Cindy Becker, Director
Health, Housing & Human Services

Date

Date

ATTACHMENT A

COMMUNITY DEVELOPMENT BLOCK GRANT ANNUAL MEASURES REPORT

FOR THE PERIOD: JULY 1, _____ TO JUNE 30, _____

Project Name: Senior Center Kitchen Renovation Project – Wilsonville

The Senior Center Renovation Project is a Low-Mod Limited Clientele Activity – Presumed Benefit. The performance measure will be the number of seniors accessing the senior center for nutrition, services and activities.

Total Number Assisted (H or P)	Total of Columns C, D, and E	Income Categories			Female Headed Households
		Low/Mod (80% - 51%)	Very Low (50% - 30%)	Extremely Low (<30%)	
(A)	(B)	(C)	(D)	(E)	(F)

Choose all that apply:

of persons _____ with new access this Public Facility or Infrastructure Improvement

of persons _____ with improved access to Public Facility or Infrastructure Improvement

of persons _____ with access to this type of Public Facility or Infrastructure Improvement

that is No Longer Substandard. Total Number of persons assisted: _____

Signature

Date

Organization

ATTACHMENT B

CDBG Project Matching Funds

For reporting to HUD at the end of the year, indicate the specific sources and amounts of matching funds for your ESG projects:

2012-13 CDBG Funds	\$235,000
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SOURCES OF LOCAL MATCH:	
Other Federal (including pass-through funds, e.g. County CDBG, State FEMA, etc.)	
Capital Improvement Budget (8085)	\$ 70,000
Capital Improvement Budget (8092)	\$ 45,000
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

State/Local Governmental Funding (e.g. State Housing Trust Funds, Local Assessment, etc.)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Private (including recipient) Funding	
Fund Raising/Cash	\$ 10,000
Loans	\$ _____
Building Value or Lease	\$ _____
Donated Goods	\$ _____
New Staff Salaries	\$ _____
Volunteers (\$5/hr)	\$ _____
Volunteer Medical/Legal	\$ _____
Other _____	\$ _____

Prepared By: (Print name)

Signature _____

Date _____

ATTACHMENT C

Change of Use

Excerpt from 24 CFR Part 570

570.505 Use of real property.

The standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program or, with respect to other recipients, until five years after the closeout of the grant from which the assistance to the property was provided.

(a) A recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either;

(1) The new use of such property qualifies as meeting one of the national objectives in **570.208 (formerly 570.901)** and is not a building for the general conduct of government; or

(2) The requirements and paragraph (b) of this section are met.

(b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

(c) If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in **570.504(b) (4) or (5)**, as applicable, shall apply to the use of funds reimbursed.

(d) Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.

ATTACHMENT D

Excerpt from 24 CFR Part 85

§85.43 Enforcement.

(a) *Remedies for noncompliance.* If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- (1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,
- (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,
- (4) Withhold further awards for the program, or
- (5) Take other remedies that may be legally available.

(b) *Hearings, appeals.* In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after

termination which are necessary and not reasonably avoidable are allowable if:

- (1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,
 - (2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.
- (d) *Relationship to Debarment and Suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see §85.35).

§85.44 Termination for convenience.

Except as provided in §85.43 awards may be terminated in whole or in part only as follows:

- (a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or
- (b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §85.43 or paragraph (a) of this section.