

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

CONTRACT FOR USE OF THE CITY OF DURHAM 2025 HIGH INTENSITY DRUG TRAFFICKING
AREA (HIDTA) GRANT BY WAKE COUNTY

This contract is made and entered into as of the 1st day of September 2025, by the City of Durham ("City"), a N.C. municipal corporation, and the Wake County Sheriff's Office ("Sub-recipient"), a constitutional office having exclusive powers and authority under the laws of North Carolina.

WHEREAS, the City has applied for and been awarded a grant from the Executive Office of the President, Office of National Drug Control and Policy (ONDCP), CFDA number 95.001, Grant Number HID0625G0600-00, authorized under Public Law 119-4; and

WHEREAS, the City wishes to engage the Wake County Sheriff's Office as the Sub-recipient to assist the City in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that:

Sec. 1. Background and Purpose. This is a contract between the Sub-recipient and the City which establishes the terms and conditions under which the Sub-recipient will use the aforementioned grant funds to assist in disrupting and dismantling drug trafficking and money laundering organizations through participation in intelligence-driven multi-jurisdictional operations.

Sec. 2. Term, Services and Scope to be Performed. Presumption that Duty is Sub-recipient's. The term of this contract is from January 1, 2025 to December 31, 2026, unless, at the ending date, all grant funds have yet to be expended. In this event, the term of the contract shall continue until such time as all grant funds are expended.

The Sub-recipient shall perform, within the term of this contract, the following Work:

- I. Scope of Service.
 - A. Activities. Assist the Drug Enforcement Administration (DEA) and the North Carolina Triangle HIDTA Task Force in investigating violations of federal and state drug laws in conjunction with money laundering.
 - B. Objectives/Purposes. The Sub-recipient certifies that the activities carried out with funds provided under this contract will comply with HIDTA Program Policy and Budget Guidance Manual (Attachment D).
 - C. Performance Monitoring. The City will monitor the performance of the Sub-recipient against project goals and performance standards as specified in the HIDTA Program Policy and Budget Guidance Manual (Attachment D) and the current Office of Justice Programs Financial Guide.
 - D. Special Conditions. The Sub-recipient will comply with any Special Conditions imposed by the awarding agency as conditions to the award, per Attachment B.
 - E. Non-discrimination. The Sub-recipient agrees to comply with all federal civil rights laws including, but not limited to, the requirements pertaining to and submitting an Equal Employment Opportunity Plan, reporting Findings of Discrimination, and providing language services to Limited English Proficiency persons.
 - F. Supplanting. The Sub-recipient certifies that federal funds will be used to supplement existing funds for program activities and not to replace those funds that have been appropriated for the same purpose. Potential supplanting can be the subject of monitoring and audits. Violations can result in a range of administrative, civil and/or criminal penalties.
 - G. Travel, Training, Technical Assistance. The Sub-recipient shall obtain prior written approval from the City for any travel and/or training to be paid with funds provided under this contract. A letter of request shall be submitted to the City not less than 30 days

before the registration for the event is due.

- H. Equipment. All equipment purchased with funds under this contract shall be clearly identified, with records maintained according to federal property and retention rules, as specified in the Office of Justice Programs Financial Guide in effect at the time of purchase.
- I. Progress Reports. The Sub-recipient shall submit quarterly Progress Reports to the City that include, but are not limited to: actions taken toward fulfillment of project goals, and any issues encountered which could negatively impact fulfillment of project goals. The Sub-recipient shall submit any additional information reasonably requested by the City.

II. Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

A. Financial Management.

- 1. Administrative Requirements: The Sub-recipient agrees to comply with Uniform Guidance 2 CFR 200 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- 2. Cost Principles: The Sub-recipient shall administer its program in conformance with Uniform Guidance 2 CFR 200. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.
- 3. Audit Requirements. The Sub-recipient hereby agrees to have an annual agency audit, if applicable, conducted in accordance with 2 CFR subpart F, Audit requirement.
- 4. This award is subject to the requirements in ONDCP's "HIDTA Program Policy and Budget Guidance."
- 5. The requirements of 28 CFR Part 23, which pertains to information collection and management of criminal intelligence systems, shall apply to any such systems supported by this award/contract.

B. Documentation and Record Keeping.

- 1. Records to be Maintained. The Sub-recipient shall maintain all records required by the federal regulations specified that are pertinent to the activities to be funded under this contract. Such records shall include, but not be limited to:
 - a. Records providing a full description of each activity undertaken;
 - b. Records demonstrating that each activity undertaken meets one of the Objectives of the awarding agency, as specified above in Sec 2.I.(B);
 - c. Records required to determine the eligibility of activities and participants;
 - d. Financial records as required by OMB Circulars A-102 and 2CFR Part 215, as applicable and HIDTA Program Policy and Budget Guidance;
 - e. Other records necessary to document compliance with Federal Cost Principles.
- 2. Retention. The Sub-recipient shall retain all records pertinent to expenditure incurred under this contract for a period of three (3) years after the termination of all activities funded under this contract. Records for non-expendable property acquired with funds under this contract shall be retained for three (3) years after final disposition of such property. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the three-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the three-year period, whichever occurs later.
- 3. Client Data. N/A
- 4. Disclosure. N/A
- 5. Close-Outs. The Sub-recipient's obligation to the City shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the City), and determining the

custodianship of records.

6. Audits & Inspections. All Sub-recipient records with respect to any matters covered by this Agreement shall be made available to the City, grantor agency, their designees or the federal government, at any time during normal business hours, as often as the City or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sub-recipient within 30 days after receipt by the Sub-recipient.

In this contract, "Work" means the services that the Sub-recipient is required to perform pursuant to this contract and all of the Sub-recipient's duties to the City that arise out of this contract. Unless the context requires otherwise, if this contract states that a task is to be performed or that a duty is owed, it shall be presumed that the task or duty is the obligation of the Sub-recipient.

Sec. 3. Sub-recipient's Billings to City Compensation.

- I. Budget. The City shall pay to the Sub-recipient an amount up to, but not to exceed \$95,000.00, for reimbursements of expenditures in accordance with the budget approved by the awarding agency or reprogramming of the budget. Said budget is set forth in Attachment C. The Sub-recipient may request modification to the approved budget in order to reallocate dollar amounts among budget categories within the existing Federal Application award amount. The original Federal Application award amount may not be increased by this procedure; however, it can be decreased. Movement of dollars between approved budget categories without prior approval is allowable up to ten percent of the total contract amount, provided there is no change in project/service scope or in the total cost due to the Sub-recipient. The City shall not be obligated to pay the Sub-recipient any payments, fees, expenses, or compensation other than those authorized by this section.

II. Billings to the City.

The Sub-recipient shall send requests for reimbursement (Attachments E and F) to the City monthly for the amounts to be paid pursuant to this contract. Each request for reimbursement shall reflect the budget per Attachment C, be accompanied with copies of ledger pages reflecting charges and any supporting documentation, and include any additional information as may reasonably be requested by the City. Within thirty days of receipt of a request for reimbursement, the City shall send the Sub-recipient a check-in payment for all undisputed amounts contained in the request for reimbursement.

Sec. 4. Insurance. Exempt

Sec. 5. Exhibits. The following exhibits are made a part of this contract:

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| Exhibit A | Excerpts from the 2025 National Drug Control and Policy High Intensity Drug Trafficking Area (HIDTA) Grant Application 4 pages. |
| Exhibit B | Grant Agreement and Special Conditions 8 pages |
| Exhibit C | Budget 2 pages |
| Exhibit D | Section 10 of the HIDTA Program Policy and Budget Guidance 3 pages |
| Exhibit E | Request for Reimbursement Form 1 page |
| Exhibit F | Request for Reimbursement of HIDTA Overtime Expenses 1 pages |
| Exhibit G | Clause for Contract Involving Federal Financial Assistance 3 pages |

In case of conflict between an attachment and the text of this contract excluding the attachment, the text of this contract shall control.

Sec. 6. Notice Addresses. For purposes of Sec. 9 of the General Conditions, and subject to change pursuant to subsection 9(c), the addresses for these notices are as follows:

To the City:
Kisha Preston, Police Department
City of Durham
602 E. Main Street
Durham, NC 27701
Fax: 919-560-4849
Email: Kisha.Preston@durhamnc.gov

To the Sub-recipient:
Willie Rowe, Sheriff
330 S. Salisbury St.
Raleigh, NC 27601

GENERAL CONDITIONS

Sec. 7. Complete Work without Extra Cost. Except to the extent otherwise specifically stated in this contract, the Sub-recipient shall obtain and provide, without additional cost to the City, all labor, materials, equipment, transportation, facilities, services, permits, and licenses necessary to perform the Work.

Sec. 8. Performance of Work by City. If the Sub-recipient fails to perform the Work in accordance with the term or schedule referred to in Section 2 above, the City may, in its discretion, in order to bring the project closer to completion, perform or cause to be performed some or all of the Work, and doing so shall not waive any of the City's rights and remedies. Before doing so, the City shall give the Sub-recipient notice of its intention. The Sub-recipient shall reimburse the City for additional costs incurred by the City in exercising its right to perform or cause to be performed some or all of the Work pursuant to this section.

Sec.9. Notice.

(a) In General. This subsection (a) pertains to all notices related to or asserting default, breach of contract, claim for damages, suspension or termination of performance, suspension or termination of contract, and extension or renewal of the term.

(b) Means of Delivery of Notice. All such notice shall be in writing and sent by U.S. Mail, UPS, Federal Express, e-mail, or personal delivery.

(c) Change of Address. A change of address, fax number, email address, telephone number, or person to receive notice shall be made by notice given to the other party.

Sec. 10. Indemnification.

(a) Each party to this agreement will be responsible for its own actions in providing services under this agreement and, to the extent permitted by law, shall not be liable for any civil liability that may arise from the furnishing of services by the other party.

(b) Survival. This section shall remain in force despite termination of this contract (whether by expiration of the term or otherwise) and termination of the services of the Sub-recipient under this contract.

Sec. 11. Termination for Convenience ("TFC").

(a) *Procedure.* Without limiting any party's right to terminate for breach, the parties agree that the City may, without cause, and in its discretion, terminate this contract for convenience by giving the Sub-recipient written notice that refers to this section. TFC shall be effective at the time indicated in the notice.

(b) *Obligations.* Upon TFC, all obligations that are still executory on both sides are discharged except that any right based on prior breach or performance survives, and the indemnification provisions and the section of this contract titled Trade Secrets and Confidentiality, if any, shall remain in force.

(c) *Payment.* The City shall pay the Sub-recipient an equitable amount for the costs and charges that accrue because of the City's decisions with respect to the subcontracts, but that amount will exclude

profit for the Sub-recipient. Within 30 days of the Sub-recipient's receipt of notice of TFC, the City shall pay the Sub-recipient one hundred dollars (\$100) as a TFC fee. The City shall pay the Sub-recipient for all Work performed up to the termination date indicated in the TFC notice, except to the extent Work has been paid for previously. Work shall be paid for in accordance with the method (unit prices, hourly fees, etc.) to be used for payment had the Work been completed, except to the extent it would be inequitable to either party. If Work was to be paid for on a lump-sum basis, the City shall pay the part of the lump sum that reflects the percentage of completion attained for that Work. The Sub-recipient shall not be entitled to any payment because of TFC except as stated in this section, whether on the basis of overhead, profit, damages, other economic loss, or otherwise.

Sec. 12. E-Verify Requirements. (A) If this contract is awarded pursuant to North Carolina General Statutes (NCGS) 143-129 – (i) the Sub-recipient represents and covenants that the Sub-recipient and its subSub-recipients comply with the requirements of Article 2 of Chapter 64 of the NCGS; (ii) the words "Sub-recipient," "Sub-recipient's subSub-recipients," and "comply" as used in this subsection (A) shall have the meanings intended by NCGS 143-129(j) and (iii) the City is relying on this subsection (A) in entering into this contract. (B) If this contract is subject to NCGS 143-133.3, the Sub-recipient and its subSub-recipients shall comply with the requirements of Article 2 of Chapter 64 of the NCGS.

Sec. 13. Choice of Law and Forum; Service Process. This contract is entered into in Durham County, North Carolina. This contract is governed by and shall be construed in accordance with North Carolina law and not the United Nations Convention on Contracts for the International Sale of Goods. The exclusive forum and venue for all legal actions arising out of this contract shall be the North Carolina General Court of Justice in Durham County. Such actions shall neither be commenced in nor removed to federal court, unless otherwise required by law. The preceding two sentences do not apply to actions to enforce a judgment entered in actions heard pursuant to this section.

Sec. 14. Waiver. No action or failure to act by the City shall constitute a waiver of any of its rights or remedies that arise out of this contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

Sec. 15. No Waiver of Sovereign Immunity. Nothing contained herein shall be construed to mandate purchase of insurance by Sheriff pursuant to N.C.G.S 153A-435; or to be inconsistent with Wake County's "Resolution Regarding Limited Waiver of Sovereign Immunity" enacted October 6, 2003; or to in any other way waive Sheriff's or Wake County's defense of sovereign government immunity from any cause of action alleged or brought against the Sheriff or Wake County for any reason if otherwise available as a matter of law.

Sec. 16. Performance of Government Functions. Nothing contained in this contract shall be deemed or construed so as to in any way estop, limit, or impair the City from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

Sec. 17. Severability. If any provision of this contract shall be unenforceable, the remainder of this contract shall be enforceable to the extent permitted by law.

Sec. 18. Assignment. Successors and Assigns. Without the City's written consent, the Sub-recipient shall not assign (which includes to delegate) any of its rights (including the right to payment) or duties that arise out of this contract. The City Manager may consent to an assignment without action by the City Council. Unless the City otherwise agrees in writing, the Sub-recipient and all assignees shall be subject to all of the City's defenses and shall be liable for all of the Sub-recipient's duties that arise out of this contract and all of the City's claims that arise out of this contract. Without granting the Sub-recipient the right to assign, it is agreed that the duties of the Sub-recipient that arise out of this contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.

Sec. 19. Compliance with Law. In performing all of the Work, the Sub-recipient shall comply with all applicable law.

Sec. 20. Notice of City Policy. Compliance with Non-Discrimination Ordinance. THE CITY OPPOSES DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, DISABILITY, FAMILIAL STATUS, MILITARY STATUS, SEXUAL ORIENTATION, GENDER IDENTITY, AND PROTECTED HAIRSTYLE. To the extent allowed by State Law. The Sub-recipient shall comply with all applicable provisions of Article I of Chapter 34 of the Durham City code (Non-Discrimination) and shall explicitly require the same of its subSub-recipients in their subcontracts.

Sec. 21 EBOP. The Sub-recipient shall comply with all applicable provisions of Article III of Chapter 18 of the Durham City Code (Equal Business Opportunities Ordinance), as amended from time to time. The failure of the Sub-recipient to comply with that article shall be a material breach of contract which may result in the rescission or termination of this contract and/or other appropriate remedies in accordance with the provisions of that article, this contract, and State law. The Participation Plan submitted in accordance with that article is binding on the Sub-recipient. Section 18-59(f) of that article provides, in part, "If the City Manager determines that the Sub-recipient has failed to comply with the provisions of the Contract, the City Manager shall notify the Sub-recipient in writing of the deficiencies. The Sub-recipient shall have 14 days, or such time as specified in the Contract, to cure the deficiencies or establish that there are no deficiencies." It is stipulated and agreed that those two quoted sentences apply only to the Sub-recipient's alleged violations of its obligations under Article III of Chapter 18 and not to the Sub-recipient's alleged violations of other obligations.

Sec. 22. Limited Third Party Rights Created. This contract is intended for the benefit of the City and the Sub-recipient and not any other person except to the extent otherwise expressly stated in this contract.

Sec. 23. Modifications. Entire Agreement. A modification of this contract is not valid unless signed by both parties and otherwise in accordance with requirements of law. Further, a modification is not enforceable against the City unless it is signed by the City Manager, a deputy or assistant City Manager, or, in limited circumstances, a City department director. This contract contains the entire agreement between the parties pertaining to the subject matter of this contract. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed or implied, between the parties, other than as set forth or referenced in this contract.

Sec. 24. Public Health Emergency Declarations. This section shall take effect upon the declaration of a state of emergency made pursuant to applicable law, code, or ordinance by any federal, state, county, or city official, due to a public health emergency, such as an epidemic, pandemic, or endemic disease. The Sub-recipient shall comply with the written procedures and policies adopted by the City department or office primarily responsible for administering this contract. The Sub-recipient shall ensure that all assigned temporary employees and subSub-recipients comply with the written procedures and policies while performing the Work on City property.

Sec. 25. City's Manager's Authority. To the extent, if any, the City has the power to suspend or terminate this contract or the Sub-recipient's services under this contract, that power may be exercised by City Manager or a deputy or assistant City Manager without City Council action.

IN WITNESS WHEREOF, the City and the Sub-recipient have caused this contract to be executed under seal themselves or by their respective duly authorized agents or officers.

Attest:

Paola Rowland
Paola Rowland
Deputy City Clerk
The City of Durham, NC



ATTEST:

CITY OF DURHAM

By: *W. Norman Ferguson*

pre-audit certificate, if applicable This instrument has been pre-audited by the City of Durham requested by the Local Government Budget and Fiscal Control Act City Manager

Sheilah Faucette City of Durham, North Carolina

Finance Officer - Sheilah Faucette

By: *Willie Rowe*
Willie Rowe, Sheriff

NORTH CAROLINA
COUNTY OF WAKE

ACKNOWLEDGMENT BY WAKE COUNTY

I, _____, a Notary Public in and for the aforesaid County and State certify that Willie L. Rowe, Sheriff of Wake County, North Carolina, personally appeared before me this day, and acknowledged the due execution of the foregoing contract with the City of Durham This the _____ day of _____, 2025.

Notary Public

My commission expires:
