

Exhibit C – Negotiated Supplemental Agreement (SA) General Requirements

This exhibit describes common processes and requirements of negotiated SA Types I, II, and III. Additional requirements of each negotiated type of SA are included in other exhibits to the National Instruction (NI).

Each negotiated SA includes five attachments, which the NRCS Programs Portal (Portal) houses for use during SA development. General requirements for each attachment apply across different SA types and are described below.

1. Attachment 1 – Deliverables

Individual deliverables are negotiated based on a combination of SA, fund and activity type.

RCPP Activities

Available practices/activities (in each fund type) are generally limited by Portal in practice/activity dropdown lists. Most SA activities are standard conservation practices or easement activities; however, some RCPP-specific activities are also available.

Each RCPP-specific activity follows similar naming conventions; the RCPP activity codes and names identify program and fund type in the first two characters (e.g., RT for RCPP Technical Assistance and RF for RCPP Financial Assistance).

The RCPP-specific activities are further described below by fund type:

- Technical Assistance (TA) Activities

RCPP TA in SA can include two discrete types of technical assistance activity, as budgeted in each PPA: enhancement and implementation. Detailed definitions and examples of each are included in each Notice of Funding Opportunity (NFO or APF).

The two types of TA activity in RCPP projects are designated by the first 3 characters in the activity code:

- RTEx - TA Enhancement Payment for Project Specific Activities
- RTIx - TA Implementation Payment for NRCS defined Activities

Details on each type of RCPP TA activity, and details on “negotiated” vs “NRCS defined” activities, are included in Exhibit D Type I SA of this NI.

- Financial Assistance (FA) Activities:

FA management relies on a combination of standard NRCS conservation practice codes (e.g., 314 Brush Management) and the following RCPP-specific activity codes:

- RFPW - FA for Innovative Watershed Activities per Project Agreement (Type II and III, Watershed Activity Funding Only)
- RFPL - FA for Innovative Land Management Activities per Project Agreement (Type III only)
- RFPR - FA for Innovative Land Rental Activities per Project Agreement (Type III only)

Details on acceptable use of each type of RCPP FA in RCPP Classic and RCPP AFA projects are included in each SA Attachment 5 - Practices and Specifications for each type of FA SA and applicable exhibits to this NI (Exhibit E Type II SA (FA for Classic), Exhibit F Type III SA).

Available Scenarios in each type of SA are based on SA Type and Fund Type of each specific

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deliverable.

Activities with project specific negotiated scenarios include the following generic scenarios which are designed to help States ensure that partner administrative expenses are not included in any RCPP payments:

Scenario	Administrative Expenses Allowed	Notes
Participating Partner, Personnel	No (all partner admin prohibited)	Typical valuation methods: timesheets and rate tables (by staff member or discipline)
Participating Partner, Travel		Typical valuation methods: IRS mileage rates
Participating Partner, Contractual		Availability limited: requires NRCS approval of partner provided rates, rarely applicable to partner provided tasks Typical valuation methods: published rate sheets or scenarios with payment schedule level of detail
3 rd Party, Personnel	Yes (if provider NOT a PPA or SA partner only)	Typical valuation methods: obligation, contractor quotes, payment, contractor invoices
3 rd Party, Travel		
3 rd Party, Contractual		
Supplies	No	Typical valuation methods: obligation, provider quotes, payment, provider invoices

These scenarios must be used to ensure that:

- Valuation methods for partner provided activities exclude administrative costs.
- Contractual payments to partners are limited to cases where actual costs can be verified, e.g., where partner routinely provides contract services and published (actual cost) rates exist.
- 3rd Party scenarios support awardee partner ability to hire non-project partners (only) to provide additional specialty services (e.g., engineering). Valuation methods for non-project partner, 3rd parties may include providers costs to the extent they are actually paid/incurred by awardee partner (only).
- Indirect costs are not allowed on (any) supplies.

Some Financial Assistance Activities have additional scenarios:

Scenarios available for FA activities include a combination of generic scenario types and NRCS cost list related methods. Payment and technical requirements applicable to each must be appropriate for the practice and activity selected.

For example, if “314 Brush Management” is the practice contracted, then the brush management standard and implementation requirements would be attached to the agreement (in Attachment 5) to address technical requirements. Valuation methods could be either 1) cost list rates for applicable brush management scenario(s) which would be uploaded to deliverable(s), or 2) tied to the generic scenarios included above, which would be supported by uploaded rate schedules and methods.

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Budget Object Codes (BOCs) are limited by SA Type and Activity Type.

Additional guidance on use of BOCs is provided in Exhibits D-F by SA type.

- Negotiated deliverables require unit, extent, unit cost, total obligation, and valuation method.
- Payments in SA are limited by each of these characteristics (units, unit cost, extent, total cost) based on actual, not to exceed a maximum (AM) unit costs. Therefore, if rates or units are variable (e.g., multiple salary rates for different disciplines), separate line items are recommended to prevent the extent delivered, cost, or unit from blocking or partially blocking payments.
- States are encouraged to select units and set unit costs to optimize the balance between project accountability and SA flexibility.
- SA Type Review Checklist (Exhibit B) is provided to help States plan SA and anticipate PO Review considerations.
- SA Valuation Methods Worksheet (Exhibit A) is provided to help states relay requirements of SA valuation methods to partners and prepare for the level of detail required to ensure valid SA payments. It is particularly useful because SA valuation methods must ensure that all RCPP payments are limited to actual costs.

Valuation methods must directly support the scenario, units, unit cost and total cost of the deliverable to which they relate. They must include 1) basis of obligations: actual or estimated costs upon which obligations are planned for each deliverable and 2) basis of payment: must capture actual costs (not estimates) to partners, as NRCS has no authority in SA to pay more than actual costs incurred.

Valuation methods may also be used to document any additional requirements, such as documentation requirements or tracking sheets, which will be required to support payment processing, up to and including technical requirements which must be satisfied in order to earn payments. Sample SA Valuation methods are included as Exhibit A to this NI, SA Valuation Methods Worksheet.

Technical requirements can be incorporated into deliverable descriptions and valuation methods or they can be captured separately as uploads to SA Attachment 5. Use of Attachment 5 is required when NRCS provides (vs. negotiates) technical requirements.

2. Attachment 2 – Payment Limitations

This attachment should only be edited to add RCPP Supplemental Agreement number.

3. Attachment 3 – Confidentiality

Every RCPP SA has a single awardee partner. In most projects each SA awardee partner will manage confidential producer information. For NRCS to allow an awardee partner (or its sub-contractors) to manage confidential information, awardee partner must agree to ensure that confidential information is managed in accordance with federal laws.

Accordingly, every SA where a partner will receive or process protected producer information will have specific confidentiality agreement requirements, captured in the Confidentiality attachment (available in the Portal for download, by SA type).

- Print and manually check boxes in Part D1 of SA Attachment 3 to identify types of

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- confidential information (if any) lead partner and NRCS will share in the project.
- Use Portal to identify and upload the type of confidentiality agreement being requested:
 - **Template:** NRCS and lead partner sign Part D2 with no edits, in most cases.
 - **Variance:** if the lead partner identifies legal concerns with confidentiality agreement (SA Attachment 3 template) language, the lead partner may propose edits to the template language in SA Attachment 3 template Part D2. State or lead partner must upload the unsigned, edited attachment and Projects Branch at NHQ will coordinate review by the FPAC Privacy Officer. Note, however, that Federal confidentiality laws provide little flexibility and lead partners must be made aware that approval of language variances are unlikely.
 - **Waiver:** if the conditions listed in SA Attachment 3 template Part D3 of the templated agreement are met, the State and lead partner can execute Part D3 and upload the signed attachment.

Producer authorization for such information sharing is not required (as partner representatives working under a confidentiality agreement are bound to the same standards as NRCS), but conversely nor can a producer be required to sign NRCS-CPA-1270, “Consent to Release or Receive Information for NRCS Program Participation” as a pre-condition for program participation.

4. Attachment 4 – General Terms and Conditions

This attachment should only be edited to add RCPP Supplemental Agreement number.

5. Attachment 5 – Practices and Specifications

The level of detail in Attachment 5 will vary by deliverable, project and must be based on level of detail in payment methods. See also “Technical Requirements” bullet in each of the type specific SA exhibits to this NI.