Pennsylvania
Infrastructure Investment
Authority

VERSION DATE: JULY 16, 2026

CLEAN WATER STATE REVOLVING FUND (CWSRF) – § 212 EQUIVALENCY FUNDS

The Funding Recipient and its contractors and subcontractors shall comply with all terms and conditions of the PENNVEST Funding Offer and Funding Agreement, including, but not limited to the following requirements which shall be included in all project bid specifications and executed construction contracts.

The Funding Recipient, its contractors and subcontractors shall comply with:

A. Federal State Revolving Loan Requirements

Subchapter VI of the Federal Water Pollution Control Act, 33 U.S.C. §1381 *et seq.*, as amended.

B. Discrimination

(i) Pursuant to Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, the requirement not to discriminate on the basis or race, color or national origin in any activity funded through this Agreement.

(ii) Pursuant to the Age Discrimination Act, 42 U.S.C. § 6101 *et seq.*, the requirement not to discriminate on the basis of age in any activity funded through this Agreement.

(iii) Pursuant to Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, the requirement not to discriminate on the basis of disability in any activity funded through this Agreement.

(iv) Pursuant to Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Oct. 18, 1972, P.L. 92-500, § 13, and Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 *et seq.*, as amended, the requirement not to discriminate on the basis of sex in any activity funded through this Agreement.

(v) Pursuant to Executive Order 11246, dated September 24, 1965, as amended by Executive Order 11375, dated October 13, 1967, and as supplemented by U.S. Department of Labor regulations set forth at 41 C.F.R. Ch. 60, the requirement to provide an equal opportunity for employment in all Project Contracts and subcontracts funded through this Agreement.

(vi) Pursuant to Executive Order 12898, dated February 11, 1994, the requirement not to fund any action through this Agreement that will have disproportionately high and adverse effects on minority or low-income populations.

C. Recycled Materials

The requirement to use recovered materials to the maximum extent possible in Project Plans for the procurement of items designated pursuant to Section 6002 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6962, and its implementing regulations set forth in 40 C.F.R. Part 247, provided that use of recovered materials does not jeopardize the intended end use of the item.

D. Real Property Acquisition

When acquiring Real Property, the Project Funding shall be used only for the following:

(i) To the extent the Project involves a publicly owned treatment works, real property or interests therein that are an integral part of the treatment process (including land used for the storage of treated wastewater in land treatment systems prior to land application) or used for ultimate disposal of residues resulting from such treatment and determined by the Authority to be eligible costs; and

(ii) Costs associated with compliance with Section 305 of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, 42 U.S.C. § 4655, provided that such costs are otherwise eligible.

E. Lobbying

Restrictions on lobbying set forth in 31 U.S.C. § 1352 and 40 C.F.R. Part 34, which prohibit the use of federal funds to pay any person for influencing or attempting to influence an officer or employee of any agency or a member, officer or employee of Congress in connection with any federal action.

F. Drug-Free Workplace

Provisions in 40 C.F.R. Part 32, Subpart F, Drug-Free Workplace Requirements.

G. Public Notification

When issuing statements, press releases and other documents describing this Project, the Funding Recipient shall include an acknowledgement that federal funds (*i.e.,* Clean Water State Revolving Funds) are being used to finance the Project.

H. Reporting Requirements

All reporting requests and requests for information or materials related to this Project which may be required by PENNVEST in order to comply with its reporting requirements under the Federal Funding Accountability and Transparency Act.

I. DEBARMENT/SUSPENSION

2 C.F.R. Part 180, Subpart C. The Funding Recipient may access the federal suspension and debarment information at http://www.sam.gov.

J. PROJECT ACCOUNTS

All generally accepted government accounting standards, as it relates to the maintenance of project accounts, including standards relating to the reporting of infrastructure assets pursuant to Section 602(b)(9) of the Federal Water Pollution Control Act, January 4, 2011, P.L. 111-378, 33 U.S.C. §1382, as amended.

K. ARCHITECTURAL AND ENGINEERING SERVICES

All requirements for the procurement of architectural and engineering services as identified in 40 U.S.C. Section 1101 et. seq, for all architectural and engineering contracts executed, amended or renewed on or after October 1, 2014.

Additional information can be found at https://www.pa.gov/agencies/dep/programs-and-services/water/clean-water/infrastructure-finance/architectural-and-engineering-services.

L. FISCAL SUSTAINABILITY PLAN

All requirements for the development, implementation and certification of a fiscal sustainability plan pursuant to Section 603(d)(1)(E) of the Federal Water Pollution Control Act, January 4, 2011, P.L. 111-378, 33 U.S.C. §1383, as amended. This requirement is only applicable if:

(i) the Project is a treatment works project,

(ii) the Funding Recipient submitted its application for the Project to PENNVEST on or after October 1, 2014, and

(iii) the Funding Recipient is issuing to PENNVEST a debt obligation in the form of a note or the Funding Recipient has received a principal forgiveness loan.

Additional information can be found at https://www.pa.gov/agencies/dep/programs-and-services/water/clean-water/infrastructure-finance/fiscal-sustainability-plans.

M. SINGLE AUDIT

All applicable federal and state grant requirements including *The Single Audit Act Amendments of 2016; 2 CFR Part 200 as amended*; and any other applicable law or regulation, and any amendment to such other applicable law or regulation that may be enacted or promulgated by the federal government.

If the Funding Recipient is a local government or non-profit organization that expends $1,000,000 or more in federal awards during its fiscal year, or the current threshold as set forth in the United States Office of Management and Budget Circular A-133, as may be revised, the Funding Recipient is required to provide the appropriate single or program specific audit in accordance with the provisions outlined in *2 CFR Part 200.501.*

If the Funding Recipient expends total federal awards of less than the threshold established by *2 CFR 200.501*, it is exempt from federal audit requirements for that year, but records must be available for review or audit by appropriate officials (or designees) of the federal agency, the Authority, and Government Accountability Office (GAO).

If the Funding Recipient is a for-profit entity, it is not subject to the auditing and reporting requirements of *2 CFR Part 200, Subpart F – Audit Requirements (Subpart F)*. However, the Authority is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. This Funding Agreement describes the applicable compliance requirements and the for-profit subrecipient's compliance responsibilities. Methods to ensure compliance for federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the contract and post-award audits. The post-award audits may be in the form of a financial audit in accordance with *Government Auditing Standards*, a single audit report or program-specific audit report in accordance with *Subpart F*. However, these post-award audits must be submitted directly to the Authority. Only single audit reports for local governmental and non-profit subrecipients are electronically submitted to the Federal Audit Clearinghouse.

In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the appropriate audit guide, *Government Auditing Standards*, and *Subpart F*.

In addition to the requirements of *Subpart F*, Commonwealth agencies may require that the single audit reporting packages include additional components in the Schedule of Expenditures of Federal Awards (SEFA), or supplemental schedules, as identified through the respective grant agreement.

The Funding Recipient must submit an electronic copy of the audit report package to the Federal Audit Clearinghouse, which shall include the elements outlined in *Subpart F*.

The Funding Recipient must send a copy of the confirmation from the Federal Audit Clearinghouse to the resource account RA-BOASingleAudit@pa.gov.

The Funding Recipient is responsible for obtaining the necessary audit and securing the services of a certified public accountant or independent governmental auditor.

The Commonwealth reserves the right for federal and state agencies or their authorized representatives to perform additional audits of a financial or performance nature, if deemed necessary by Commonwealth or federal agencies. Any such additional audit work will rely on work already performed by the Funding Recipient's auditor and the costs for any

additional work performed by the federal or state agencies will be borne by those agencies at no additional expense to the Funding Recipient.

Audit documentation and audit reports must be retained by the Funding Recipient's auditor for a minimum of five years from the date of issuance of the audit report, unless the Funding Recipient's auditor is notified in writing by the Commonwealth, the cognizant federal agency for audit, or the oversight federal agency for audit to extend the retention period. Audit documentation will be made available upon request to authorized representatives of the Commonwealth, the cognizant federal agency for audit, the oversight federal agency for audit, the federal funding agency, or the GAO.

N. Telecommunication and Video Surveillance Services or Equipment

As required by 2 CFR 200.216, the Funding Recipient, its subcontractors or anyone hired by its subcontractors, are prohibited from obligating or expending any portion of the PENNVEST funding to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Funding Recipient, its subcontractors or anyone hired by its subcontractors, may not use any portion of the PENNVEST funding to purchase:

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Consistent with 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable except for the following circumstances:

(i) Obligating or expending any portion of the PENNVEST funding for covered telecommunications and video surveillance services or equipment or services as

described in 2 CFR 200.216 to:
(a) Procure or obtain, extend or renew a contract to procure or obtain;
(b) Enter into a contract (or extend or renew a contract) to procure; or
(c) Obtain the equipment, services, or systems.

Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management exclusion list, which can be found at: https://sam.gov/SAM/.

O. Additional Federal Requirements

Additional federal requirements that become applicable to the Project Funding after the date of this Agreement, upon written notice from the Authority, in accordance with Subsection K.5 (Notice).

P. Additional Requirements; Infrastructure Investment and Jobs Act

All federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58, if applicable), as may be amended, and any other applicable statute, regulation, guidance, directive, policy or procedure, and any amendment thereto, that may be approved, adopted, enacted or promulgated by the federal government.

Q. Build America, Buy America

The following construction requirements related to the project: all of the iron and steel, manufactured products, and construction materials used in the project are to be produced in the United States ("Build America, Buy America Requirements") unless (i) the Funding Recipient has requested and obtained a waiver pertaining to the project from the federal agency contributing the greatest amount of federal funding to the project or the project is otherwise covered by a general applicability waiver; or (ii) all federal agencies providing funding for the project have otherwise advised the Funding Recipient in writing that the Build America, Buy America Requirements are not applicable to the project.

Funding Recipient further agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or PENNVEST), such as performance indicators of program deliverables, information on costs and project progress. The Funding Recipient understands that (i) each contract and subcontract related to the project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and the Funding Agreement may result in a default thereunder that results in a repayment of the project funding in advance of the maturity of the PENNVEST Debt Obligation, termination and/or repayment of any non-repayment funds or other types of financial assistance, and/or other remedial actions.

In addition, Funding Recipient shall ensure the following clause is included in all construction contracts associated with the project:

The Contractor acknowledges to and for the benefit of the _____ ("Owner") and the _____ (the "Funding Authority") that it understands the goods and services under this Agreement are being funded with federal monies and have statutory requirements commonly known as "Build America, Buy America;" that requires all of the iron and steel, manufactured products, and construction materials used in the project to be produced in the United States ("Build America, Buy America Requirements") including iron and steel, manufactured products, and construction materials provided by the Contactor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner and Funding Authority (a) the Contractor has reviewed and understands the Build America, Buy America Requirements, (b) all of the iron and steel, manufactured products, and construction materials used in the project will be and/or have been produced in the United States in a manner that complies with the Build America, Buy America Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Build America, Buy America Requirements, as may be requested by the Owner or the Funding Authority. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner or Funding Authority to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner or Funding Authority resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the Funding Authority or any damages owed to the Funding Authority by the Owner). If the Contractor has no direct contractual privity with the Funding Authority, as a lender or awardee to the Owner for the funding of its project, the Owner and the Contractor agree that the Funding Authority is a third-party beneficiary, for purposes of this paragraph only, and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the Funding Authority.

Additional information can be found at https://www.pa.gov/agencies/dep/programs-and-services/water/clean-water/infrastructure-finance/build-america-buy-america.

R. Clean Air Act

All applicable provisions of the Clean Air Act, including 42 U.S.C. § 7606 (Section 306) and 2 CFR 1532.1105, which disqualify persons convicted of certain offenses under the Clean Air Act from eligibility to receive federal funds.

S. Clean Water Act

All applicable provisions of the Clean Water Act, including 33 U.S.C. § 1368 (Section 508) and 2 CFR 1532.1100, which disqualify persons convicted of violating water pollution laws from eligibility to receive federal funds.

T. Disadvantaged Business Enterprise Requirements

The Funding Recipient shall take all necessary affirmative steps to solicit, and document its solicitation efforts of, minority business enterprises and women's business enterprises, individually and collectively referred to as Disadvantaged Business Enterprises (DBE), in accordance with the Six Good Faith Efforts, as more particularly described on DEP's Disadvantaged Business Enterprises Resources Website found at https://www.pa.gov/agencies/dep/programs-and-services/water/clean-water/infrastructure-finance/disadvantaged-business-enterprises.

U. Davis-Bacon Act

The Funding Recipient shall comply with the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grant, which can be found at https://www.epa.gov/system/files/documents/2023-10/dbra_requirements_for_contractors_and_subcontractors_under_epa_grants.pdf.

Additional information can be found at https://www.pa.gov/agencies/dep/programs-and-services/water/clean-water/infrastructure-finance/davis-bacon.

V. American Iron and Steel

All requirements for the purchase of American Iron and Steel ("AIS") set forth in the Federal Consolidated Appropriations Act, January 17, 2014, P.L. 113, No. 76, §436, for all construction contracts awarded for this Project.

In addition, Funding Recipient shall ensure the following clause is included in all construction contracts associated with the project:

The Contractor acknowledges to and for the benefit of the _____ ("Owner") and the _____ (the "Funding Authority") that it understands the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund and/or Drinking Water State Revolving Fund that have statutory requirements commonly known as "American Iron and Steel;" that requires all of the iron and steel products used in the project to be produced in the United States ("American Iron and Steel Requirement") including iron and steel products provided by the Contactor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner and Funding Authority that (a) the Contractor has reviewed and understands the American Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the American Iron and Steel Requirement, as may be requested by the Purchaser or the State. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall

permit the Owner or Funding Authority to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner or Funding Authority resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the Funding Authority or any damages owed to the Funding Authority by the Owner). While the Contractor has no direct contractual privity with the Funding Authority, as a lender to the Owner for the funding of its project, the Owner and the Contractor agree that the Funding Authority is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the Funding Authority.

Additional information can be found at https://www.pa.gov/agencies/dep/programs-and-services/water/clean-water/infrastructure-finance/american-iron-and-steel.

W. Steel Products Procurement

All requirements of the Steel Products Procurement Act, March 3, 1978, P.L. 6, No. 3, 73 P.S. § 1881 *et seq*., in every construction contract awarded for this Project.

X. Bid Requirements

The Funding Recipient agrees that no specification for bids in connection with the project financed by this Funding Offer shall be written in such a manner as to contain proprietary, exclusionary, or discriminatory requirements other than those based upon performance, unless such requirements are necessary to test or demonstrate a specific thing or to provide for necessary interchangeability of parts and equipment and, if available, Funding Recipient shall include at least two brand names or trade names of comparable quality or utility followed by the words "or equal". Notwithstanding the forgoing, the "or equal" requirement is categorically waived for supplies and equipment being purchased under the Commonwealth's Cooperative Purchasing Program (COSTARS) or projects being constructed under the Guaranteed Energy Savings Act (GESA).