(1) The claim arises from work within the scope of the Cooperative Agreement;
(2) A formal Cooperative Agreement amendment is executed specifically covering the costs before they are incurred;
(3) Settlement of the claim cannot occur without arbitration or litigation;
(4) The claim does not result from the recipient’s mismanagement;
(5) The award official determines that there is a significant Federal interest in the issues involved in the claim; and
(6) In the case of defending against a contractor claim, the claim does not result from the recipient’s responsibility for the improper action of others.

§ 35.6605 Privity of contract.
Neither EPA nor the United States shall be a party to any contract nor to any solicitation or request for proposals.

§ 35.6610 Contracts awarded by a contractor.
The recipient must require its contractor to comply with the following provisions in the award of contracts (i.e. subcontracts). (This section does not apply to a supplier’s procurement of materials to produce equipment, materials and catalog, off-the-shelf, or manufactured items.)
(a) The requirements referenced in § 35.6020.
(b) The limitations on contract award in § 35.6550(a)(6).
(c) [Reserved]
(d) The requirements regarding specifications in § 35.6555(a)(6) and (c).
(f) The prohibited types of contracts in § 35.6575(a).
(g) The cost, price analysis, and profit analysis requirements in § 35.6585.
(h) The applicable provisions in § 35.6595(b).
(i) The applicable provisions in § 35.6555(b)(2).

§ 35.6650 Progress reports.
(a) Reporting frequency. The recipient must submit progress reports as specified in the Cooperative Agreement. Progress reports will be required no more frequently than quarterly, and will be required at least annually. Notwithstanding 40 CFR 31.41(b)(1), the reports shall be due within 60 days after the reporting period. The final progress report shall be due 90 days after expiration or termination of the Cooperative Agreement.
(b) Content. The progress report must contain the following information:
(1) An explanation of work accomplished during the reporting period, delays, or other problems, if any, and a description of the corrective measures that are planned. For pre-remedial Cooperative Agreements, the report must include a list of the site-specific products completed and the estimated number of technical hours spent to complete each product.
(2) A comparison of the percentage of the project completed to the project schedule, and an explanation of significant discrepancies.
(3) A comparison of the estimated funds spent to date to planned expenditures and an explanation of significant discrepancies. For remedial, enforcement, and removal reports, the comparison must be on a per task basis.
(4) An estimate of the time and funds needed to complete the work required in the Cooperative Agreement, a comparison of that estimate to the time and funds remaining, and a justification for any increase.

§ 35.6655 Notification of significant developments.
Events may occur between the scheduled performance reporting dates which have significant impact upon the Cooperative Agreement-supported activity. In such cases, the recipient must inform the EPA project officer as soon as the following types of conditions become known:
(a) Problems, delays, or adverse conditions which will materially impair