

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: 12/28/09

FROM (DEPARTMENT): Community Development Department

CONTACT PERSON: Jackie Rodriguez PHONE: 2137449077

CONTRACT NO.: T4501
C-116690

COUNCIL FILE NO.: 09-0560

ADOPTED BY COUNCIL: 12/08/09

DATE

APPROVED BY BPW: _____

DATE

- ☒ NEW CONTRACT
- ☐ AMENDMENT NO. _____
- ☐ ADDENDUM NO. _____
- ☐ SUPPLEMENTAL NO. _____
- ☐ CHANGE ORDER NO. _____

CONTRACTOR NAME: Echo Park-Silverlake People's Child Care Center

TERM OF CONTRACT: October 1, 2009 THROUGH: September 30, 2010

TOTAL AMOUNT: \$72,500

PURPOSE OF CONTRACT:

The FamilySource Program Specialized Services is designed to ensure a continuum of services due to the economic downturn and increase of social services using CSBG ARRA funds.

CITY OF LOS ANGELES
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (THE RECOVERY ACT)
COMMUNITY SERVICES BLOCK GRANT

Agreement No.	(T4501)
Project Title:	FamilySource Program Specialized Services
Contractor:	ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER
Doing Business As:	N/A
Type of Organization:	Non-Profit
Corporate Number:	C0714935
DUNS Number:	081090763

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EXHIBITS

EXHIBIT A	INSURANCE REQUIREMENTS
EXHIBIT B	NOTICE OF PROHIBITION AGAINST RETALIATION
EXHIBIT C	CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS
EXHIBIT D	CERTIFICATION REGARDING LOBBYING
EXHIBIT E	MANAGEMENT REPRESENTATION STATEMENT
EXHIBIT F	CERTIFICATION REGARDING DRUG FREE WORKPLACE ACT REQUIREMENTS
EXHIBIT G	MANAGEMENT MEMO 08-11

ATTACHMENT A BUDGET SUMMARY / EXPENDITURE PLAN

THIS AGREEMENT is entered into between the City of Los Angeles (City), a municipal corporation, and ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER, a non-profit corporation, hereafter, called the Contractor.

RECITALS

WHEREAS, the City has entered into a Grant Agreement with the California Department of Community Services and Development (CSD), hereafter called the Grantor, the Agreement is made pursuant to the authority of Public Law 105-285 Title II, Community Service Grant Program, Subtitle B—Community Services Block Grant Program of the Community Block Services Block Act, as amended, authorizes the Department of Community Services and Development to administer the American Recovery and Reinvestment Act of 2009 (the Recovery Act) (Act); and

Whereas, all grant awards made under this Program shall comply with applicable law including regulations contained in 45 CFR, the American Recovery and Reinvestment Act of 2009 and other procedures applicable to this regulation as CSBG may, from time to time, prescribe for the administration of financial assistance.

Whereas, the City (Grantee) acknowledges that the CSBG-R grant is one-time funding; and

Whereas, the City shall use grant (CSBG-R) funds consistent with the purposes and principles of the Recovery Act, the principles of this Act include the following:

- (a) The Act is a comprehensive, yet targeted, response of the Federal Government to the severe and adverse economic conditions prevailing in the United States of America;
- (a) These conditions require urgent and immediate action by and among many segments of society and the national economy;
- (b) The Act and the subject program are intended to stimulate economic activity and job growth in the communities served by the parties; and
- (c) The Office of Management and Budget (OMB) considers all Federal programs with Act expenditures to be "high risk" due to the new transparency and accountability requirements; and
- (d) The urgency of the economic conditions is such that some of the requirements and elements of the subject program have not been fully elaborated by the Federal Government and, as a consequence, the needed enabling measures and actions by the State of California are in preliminary form; and

WHEREAS, the City has entered into a Grant Agreement with the State of California, hereafter called the State, pursuant to the 42 USC 9901 *et seq.*, and 45 Code of Federal Regulation (CFR) Part 96 and the regulations adopted or the actions taken by the State of California to implement such Act; and

WHEREAS, the Community Development Department, hereafter called the CDD, has been designated by the City to provide for the proper planning, coordination, direction and management of the City's various community development activities; and

WHEREAS, the CDD cooperates with private organizations, other agencies of the City and agencies of other governmental jurisdictions in carrying out certain functions and programs that are its responsibility; and

WHEREAS, the project which is the subject of this Agreement, hereinafter called the Agreement, has been established by the City as one of the above described programs, and has been funded in the CDD budget by the U.S. Department of Health and Human Services through the California Department of Community Services and Development pursuant to the Recovery Act (Act); and

WHEREAS, the services to be provided herein are of a professional, expert, temporary and occasional nature; and

WHEREAS, pursuant to Los Angeles City Charter Section 1022, the City Council or designee has determined that the work can be performed more economically or feasibly by independent contractors than by City employees; and

WHEREAS, the City and the Contractor are desirous of executing this Agreement as authorized by the City Council and the Mayor (refer to Council File Number 09-0560 dated 12/11/2009) that authorizes the General Manager of the Community Development Department to prepare and execute the Agreement.

NOW, THEREFORE, the City and the Contractor agree as follows:

1. INTRODUCTION

§101 PARTIES TO THE AGREEMENT

The parties to this Agreement and to whom formal notices, demands, and communications shall be forwarded are as follows:

A. The City, represented by:

Richard L. Benbow, General Manager
Community Development Department
1200 West 7th Street, Sixth Floor
Los Angeles, CA 90017

With copies to:
Manny Chavez, Director
FamilySource System

B. The Contractor, represented by:

Nona Baroma, Director
ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER
1953 Lake Shore Ave.
Los Angeles, CA 90039

§102 SERVICE OF NOTICES

- A.** The City's representative as stated above is the party authorized to provide written approvals by City to Contractor in reference to matters addressed in this Agreement.
- B.** Formal notices, demands, and communications required by this Agreement to be given by either party shall be made in writing and may be delivered personally or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of the date of mailing.
- C.** If the name and/or address of the person designated to receive the notices, demands or communications changes, the affected party shall notify the other party in writing of the change in accordance with this section within five (5) days of the change.

§103 TERM OF THE AGREEMENT

- A.** The term of this Agreement shall be from October 1, 2009 to September 30, 2010 and any additional time as may be necessary to close out activities, provided that said term is subject to the provisions of this Agreement. Performance shall not commence until the Contractor has obtained the City's approval of required documents described in this Agreement, and is in receipt of those and/or other documents as described in this Agreement.
- B.** The City may, at its discretion, agree to extend this Agreement and/or provide additional funds to Contractor. Funding for agreement extensions will be based on the availability to the City of State and Federal funds and upon the Contractor's successful performance of all terms of this Agreement.

§104 CONDITIONS PRECEDENT TO THE EXECUTION OF THE AGREEMENT

- A. Prior to the execution of this Agreement, the Contractor shall submit to the City for approval in writing the following documents:
1. Insurance Certificates--The requirements and instructions for completing, executing, and submitting evidence of insurance to the City of Los Angeles are attached to the Agreement as **Exhibit A** and are incorporated herein by this reference;
 2. A City of Los Angeles Affirmative Action Plan;
 3. A Special Bank Account Agreement with a bank for the deposit of City funds advanced to the Contractor. The Special Bank Account Agreement shall be on a form supplied by the City that sets forth the right of the City to exercise a suspension of business upon proper notice to the bank by the City;
 4. A Code of Conduct--The Code of Conduct submitted must meet the requirements of §513 Conflict of Interest of this Agreement;
 5. Budget Summary / Expenditure Plan:
 - a. A City-approved Budget Summary / Expenditure Plan [the Plan]. A copy of the Budget Summary / Expenditure Plan is attached and incorporated by this reference as **Attachment A**.
 - b. The Budget Summary / Expenditure Plan is a detailed listing of items for expenditure under the terms of this Agreement that is incorporated herein by this reference. The Plan shall be submitted with all backup documentation as required and/or a cost allocation plan, if necessary and appropriate. All requests to modify the Plan must be made in writing and must be during the term of this Agreement. The Plan also shall describe all subcontractor services to be used by the Contractor and the payment procedures for subcontractors.
- B. Prior to execution of this Agreement, the Contractor shall provide the City with the documents listed below. Contractor shall provide immediate updates to these documents to the City during the term of the Agreement in the event that the information changes.
1. A current list of the Members of the Board of Directors with their individual addresses and phone numbers where they may be reached;
 2. Contractor's Articles of Incorporation and all amendments to those Articles, as filed with the Secretary of State;
 3. Contractor's Bylaws, and all amendments to those Bylaws, as adopted by the Contractor and properly attested;
 4. Management Representation Statement fully executed in accordance with City's fiscal policies and attached hereto as **Exhibit E**;
 5. Resolutions of Executorial Authority or other corporate actions of the Contractor's Board of Directors, properly attested or certified, that specify the name(s) of the person(s) authorized to obligate the Contractor and execute contractual documents. If the authorized person is someone other than Contractor's Corporate President, Contractor also shall submit a copy of a signature specimen(s) on a form provided by the City;
 6. A current and valid license to do business in the City of Los Angeles--Contractor represents that it has obtained and presently holds the Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, §21.00, *et seq.*, of

the Los Angeles Municipal Code). For the term covered by this Agreement, Contractor shall maintain, or obtain as necessary, all Certificates required of it under this Ordinance and shall not allow the Certificate to be revoked or suspended;

7. An Internal Revenue Service taxpayer identification number;
8. A completed Contractor Responsibility Ordinance Questionnaire, signed and dated;
9. A Notice of Prohibition Against Retaliation attached as **Exhibit B** to this Agreement-- Contractor shall comply with the requirements of the Notice of Prohibition Against Retaliation as it relates to the Living Wage Ordinance;
10. A Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion, fully executed in accordance with Executive Orders 12459 and 12689, 20 CFR 667.200 (d), and 29 CFR Parts 97.35 and 98.510, and attached hereto as **Exhibit C**;
11. A Certification Regarding Lobbying, fully executed in accordance with City Directive 91-3 dated July 27, 1990 and attached hereto as **Exhibit D**--Contractor shall comply with all provisions of 31 USC §1352 *et seq.* and 29 CFR Part 93. No funds shall be released to Contractor until the Certification is filed.
12. Certification Regarding Drug Free Workplace Requirements fully executed and attached as **Exhibit F**.

§105 CONTRACTOR'S ADMINISTRATIVE AND PERSONNEL DOCUMENTS

Contractor warrants that it has adopted, shall retain, and make available upon request from the City, the following documents and their amendments:

- A. Contractor's Financial and Accounting Procedures that incorporate Generally Accepted Accounting Principles (GAAP) including but not limited to the preparation and submission of invoices, reconciliation of cash on-hand and earnings with City records, reporting and tracking of customer activity and earnings, repayment of unearned funds, preparation for the resolution of audits and inspections, inventory control, reporting and tracking of program income. These shall be made available to the City upon request.
- B. Contractor's Personnel Policy that incorporates due process protection of standard personnel procedures, and wherein the Contractor agrees to abide by in the performance of this Agreement.
- C. Agreements with Other Funding Sources:

A copy of any agreements between the Contractor and other public or private organizations that directly impact the activities funded under this Agreement shall be kept on file at the Contractor's offices and be provided to the City upon agreement execution. Contractor also shall notify City of any default, termination, or finding of disallowed costs under these agreements. Contractor warrants that no other funding source will be billed for services that are provided and paid for by the City under this Agreement.

- D. Board of Director's Meeting Minutes:

Contractor shall maintain minutes of all board meetings and provide these records to the City upon request.

§106 INDEPENDENT CONTRACTOR STATUS

Pursuant to this Agreement, the Contractor is acting as an independent contractor and not as an agent or employee of the City. No employee of the Contractor has been, is, or shall be an employee of the City by virtue of this Agreement, and the Contractor shall so inform each employee organization and each employee who is hired or retained under this Agreement. Contractor shall not represent or otherwise hold

out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City.

§107 CONTRACTOR'S DUTY TO NOTIFY CITY OF CHANGES

- A. Contractor agrees to provide the City 60 (Sixty) days advance written notice of any facts that may materially affect its performance of this Agreement or impact the City's decision to continue this Agreement with the Contractor. Among the items to be disclosed are: an amendment to its Articles of Incorporation or Bylaws, move to dissolve or transfer any assets derived from funds provided under §301 of this Agreement, negotiations leading to the sale, merger or acquisition of the Contractor; debarment or agreement termination by any other public entity and/or any final audit findings regarding the Contractor's administration of any agreement with public funds.
- B. Contractor shall notify the City within five (5) days of changes affecting this Agreement including: 1) any amendments of documents; 2) actions that would change Contractor's legal status; 3) any action that may materially change the performance of this Agreement (i.e., bankruptcy); or 4) a change in Contractor's corporate name.

§108 DEFINITIONS

The definitions of words used in this Agreement are as follows:

- A. Federal Grantor Agency—for this Agreement the Federal Grantor Agency is the U.S. Department of Health and Human Services (HHS).
- B. The word "days" means calendars days, including weekends and holidays, unless otherwise specifically provided herein.
- C. State Agency—for this Agreement the State Agency is the California Department of Community Services and Development (CSD).

2. DUTIES AND REQUIREMENTS OF THE CONTRACTOR

§201 GENERAL STATEMENT OF WORK TO BE PROVIDED BY THE CONTRACTOR

FamilySource Specialized Services Contractors, shall provide services targeted at city of Los Angeles residents that meet poverty level income guidelines.

The Contractor shall operate the FamilySource Specialized Services Program in accordance with the Agreement policies established by the CDD, the City and as further set forth by the State of California and the Federal Government, and as approved by the Community Action Board (CAB), the Los Angeles City Council, and the Mayor.

Contractor shall ascertain that enrolled customers receiving services under this Agreement are eligible under CSBG-R funding rules and regulations as identified by the Department of Community Services and Development and federal government.

§202 GENERAL PURPOSE AND REQUIREMENTS OF STATEMENT OF WORK

The Statement of Work is a general description of the services made available by the Contractor. Should the Contractor determine a need to alter significantly the services described, approval must be requested in writing. The approval must be received from the City in writing before any change is implemented and may require a contract amendment.

The Contractor shall provide contractual services as set forth below and in accordance with the Budget Summary/Expenditure Plan incorporated herein. All work is subject to City approval. Failure to receive approval may result in withholding compensation pursuant to § 301.

The Contractor shall provide all services at no charge to the participant.

A. Project Description

The FamilySource Specialized Services Program, offers services specifically targeted at City of Los Angeles residents meeting the CSBG-R income guidelines for poverty, low-income residents.

B. Project Location(s) and Operating Hours

This project will operate at the following location(s) with services available during normal business hours.

1953 Lake Shore Ave.
Los Angeles, CA 90039

C. Target Population and Eligibility Determination

The target population for the FamilySource Specialized Services Program is poverty, low-income City residents with priority given to parents with children age 16 and under.

The population targeted by the FamilySource Specialized Services Program must be City of Los Angeles residents. Additionally, their income may not exceed CSBG-R guidelines as set forth below:

Customer Income Eligibility
FY 2009/2010 CSBG-R Poverty Guidelines

Size of Family Unit of Number in Household	Monthly Income	Annual Income
1	\$ 1,805.00	\$ 21,660
2	\$ 2,248.33	\$ 29,140
3	\$ 3,051.66	\$ 36,620
4	\$ 3,675.00	\$ 44,100
5	\$ 4,298.33	\$ 51,580
6	\$ 4,921.66	\$ 59,060
7	\$ 5,545.00	\$ 66,540
8	\$ 6,168.33	\$ 74,020
For Family units with more than 8 members, add \$7,480 to the Annual Income for each additional member.		
Customer eligibility threshold for customers served under the CSBG-R is increased to 200 percent (200%) of the federal poverty level as shown in the above chart.		

D. Collaboration

All FamilySource Specialized Services Contractors are required to partner with a FamilySource Center in the delivery of services by area of service as referenced below:

Table 1: FamilySource Center Service Areas

Targeted Area	Targeted Area
Boyle Heights	Southeast II (South of Slauson)
Canoga Park	Southwest I (North of Slauson)
Echo Park	Southwest II (South of Slauson)
Hollywood	Watts
Lincoln Heights	West LA (Mar Vista/Palms)

North Valley	Westlake/Pico Union
South Valley	Wilmington/San Pedro
Southeast I (North of Slauson)	Wilshire

Table 2: City Managed FamilySource Centers

<u>Targeted Area</u>
Aliso Pico/Boyle Heights
Cypress Park
Pacoima (North Valley)
Pico West
Watts

E. Core Services

Contractor shall, at minimum, provide one or more of the described FamilySource Core Services as identified in the table below. The provision of multi-benefit screening services to help low-income, poverty families access public benefits for which they are eligible is a required service activity.

Table 3: FamilySource Core Services

Core Services	To be Provided (Y/N)	Description
Child Care	Y	Child care services must assist poverty, low-income participants obtain or maintain employment or attend school. Contractor is to take steps to assist participants apply for other childcare subsidies for which they may be eligible. At a minimum, contractor is to assist participants register on the Los Angeles Centralized Eligibility List (LACEL). LACEL is a countywide list of low-income families who need help paying for child care development services. LACEL is used by agencies offering subsidized child care and development to enroll families from local communities into their programs. Additional information regarding LACEL is available at http://ceo.lacounty.gov/ccp/cel.htm . <i>Child care must result in the Increased Family Income outcome.</i>
Computer Literacy	N	Computer Literacy is to provide basic computer instruction to enhance the Customer's marketable skill and ability to access resources and information. Computer instruction may be conducted through instructor-led, staff-assisted, or self-paced activities. Examples of computer literacy training topics include instruction on navigating the Internet, basic software applications, word processing, and electronic spreadsheets. <i>Services must result in either Increased Family</i>

		<i>Income or Increased Academic Achievement.</i>
Cultural Activities (Youth) - Must be combined with an academic component	N	Cultural activities are those designed to develop the intellectual and shared beliefs, values, customs and behavior that are passed on to succeeding generations. Cultural activities may include: dance, media programs, music, literary arts, theatre, traditional/folk art, murals, and services to various artists to name a few. Like recreational activities, proposers may provide cultural activities to promote overall program participation of youth. <i>Cultural activities must result in Increased Academic Achievement.</i>
Financial Literacy/ Money Management Education	N	Financial literacy is to provide financial education on the following topics: budgeting, use of mainstream banking, maintaining a checking account, understanding credit, debt reduction and acquiring assets, and how to identify and avoid predatory lending practices. An example of a recommended financial literacy curriculum is FDIC's Money Smart program. Proposers utilizing other financial literacy curriculum must identify the source and submit an outline of the training modules to be offered. Additionally, all proposers should describe how the method of delivery of financial literacy services are based on recognized best practices and address the needs of customers/participants. <i>Services must result in Increased Family Income.</i>
Information & Referral – Must be combined with one other core service	N	Information and referral is to help poverty, low-income Customers and City residents obtain information about services they may need. Information and referral may be provided through self-service activities such as access to telephone or online resources (i.e., the City of Los Angeles' 3-1-1 service, the County of Los Angeles' 2-1-1 services, and www.healthycity.org). Additional information and referral services may include staff-assisted advocacy services (i.e., helping residents navigate and negotiate the maze of institutional requirements), and targeted outreach for services that the City has or may identify as beneficial to poverty, low-income families (i.e., free child passenger safety car seats through the City's Community-based Traffic Safety Education project). <i>Services must result in Increased Family Income.</i>
Legal Services	N	Legal assistance in the areas of child support, consumer rights (predatory lending and other related issues), landlord/tenant relations, unlawful eviction, credit correction, immigration rights, driver's license reinstatement, and expungement of criminal records that may have posed as a barrier to obtaining and/or

		maintaining employment. Legal assistance includes providing legal advice, the preparation of legal documents, representation in court and administrative proceedings, and/or conducting legal clinics.
Emergency Services	N	Emergency Services include food and clothing distribution, health care including nutrition, drug and eye care counseling/treatment, crisis counseling, immigration services. Emergency services are provided on a short term basis. Services must result in increased family income or increased academic achievement.
Mentoring (Youth)	N	<p>"Mentoring is a structured and trusting relationship that brings young people together with caring individuals who offer guidance, support and encouragement aimed at developing the competence and character of the mentee"[†]. Examples of types of mentoring programs include, but are not limited to:</p> <ul style="list-style-type: none"> • Educational mentoring – aimed at improving academic performance and behavior. • Career mentoring – focused on helping youth develop skills needed in a chosen occupational or career paths. • Personal development mentoring – geared toward helping youth during times of personal or social stress and providing guidance for decision-making. <p><i>Mentoring must result in Increased Academic Achievement.</i></p>
Multi-benefit screening – REQUIRED SERVICE	Y	<p>Multi-benefit screening is to help poverty, low-income families access public benefits for which they are eligible. Common public benefits that poverty, low-income families qualify for include tax credits, nutritional benefits such as foods stamps and WIC, subsidized health insurance, low-cost auto insurance, and utilities discount programs. The City is currently working on launching a web-based system (One-e-App) that offers a screening and single application tool for participating City and County social service programs. Contractors will be required to use this tool with the objective of increasing enrollment in these programs and providing poverty, low-income families with additional economic resources. Additional information regarding the One-e-App system is available at www.oneeapp.org.</p> <p><i>Services must result in Increased Family Income.</i></p>
Parenting Classes		Parenting classes are to provide parents with child-raising strategies. The curriculum should

	N	<p>be designed to help parents improve their ability to 1) communicate with their children; 2) establish and maintain appropriate structure, boundaries, and common expectations within the family; and 3) reduce the incidence of physical or emotional abuse through better anger management and alternative approaches to parent-child conflict. Examples of topics to be covered include, parenting styles, setting boundaries, stages of discipline, and communication. Curriculum may also include topics that focus on improving family functioning, such as anger and stress management, conflict resolution, supportive relationships building, and responsibility sharing.</p> <p><i>Services must result in Increased Academic Achievement.</i></p>
Pre-Employment	N	<p>Contractor shall provide "soft" skills training that will increase the customers' ability to obtain and/or maintain employment. Soft skills are skills, abilities and traits that pertain to personality, attitude and behavior rather than to the formal or technical knowledge. Training can include topics that address punctuality and regular attendance; common courtesy and understanding other work expectations; and cooperation with co-workers, supervisors and customers. These activities should seek to identify and address the root causes of why participants are unemployed or underemployed and subsequently resolve them by providing or ensuring customers access the appropriate services. Such support should not duplicate the designated roles and responsibilities of the City's WorkSource or OneSource Centers.</p>
Recreational Activities (Youth) – Must be combined with an academic component	N	<p>Youth recreational activities include those denoting any form of play, amusement, or relaxation used for this purpose such as games, sports, or hobbies. Recreational activities may also serve as a recruitment strategy to promote program participation and maintain the motivation of youth participants. Recreational activities may include, but not be limited to:</p> <ul style="list-style-type: none"> • Sports: such as basketball, soccer, softball, baseball, golf, tennis, volleyball, flag football or aquatics; • Parks and Outdoor Activities: such as bicycling, camping, hiking, or sailing; • Youth Activity Programs: such as L.A. Kids Program, Summer Day Camps, the Recreation and Parks CLASS youth development program for neighborhood youth. <p><i>Recreational activities must result in Increased</i></p>

		<i>Academic Achievement.</i>
Services for Persons with Disabilities	N	<p>Services for Persons with Disabilities may include any of the core services identified herein but with an emphasis on the target population.</p> <p><i>Services must result in either Increased Family Income or Increased Academic Achievement.</i></p>
Subsidized Employment/Work Experience	N	<p>Subsidized Employment/Work Experience is a planned, structured learning experience that takes place in a workplace for no greater than 1,000 hours, per individual, who is in need of good work habits and basic work skills. The workplace or worksites are to be limited to any non-profit, community based organization or public agency. The contractor shall serve as the employer of record, pay wages of \$11.25 per hour and provide for worker's compensation coverage. Contractor shall execute a Standard Worksite Agreement, issued by the City, for every customer placed at a worksite. Every customer shall open a bank account to deposit their earnings, file for the Earned Income Tax Credit in spring 2010 and participate in at least one other FamilySource Core Service activity during the employment period. Through coordination with the WorkSource Centers the goal is to transition every customer to unsubsidized employment upon completion of the subsidized employment period. The contractor shall provide this service to a minimum of 17 eligible City residents.</p>
Tutoring (Youth)	N	<p>Tutoring includes one-on-one instruction and/or homework assistance for youth participants. Tutoring activities may also include writing activities, cognitive skill activities, and reading opportunities with the goal of increasing grade level advancement. Supervised by an adult, tutoring may also include peer tutoring by appropriate older students. Consideration will be given to proposers that have an established relationship with local schools that support information sharing between program staff and educators to assist in developing an effective tutoring plan. The content of tutoring plans should support LAUSD's curriculum. Contractors should refer all eligible students to the LAUSD Supplemental Educational Services (SES). SES is academic assistance or tutoring-type services offered before or after school, on weekends, or during off-track time by state-approved providers. Additional information regarding LAUSD's SES is available at http://btb.lausd.net/ses.html.</p> <p><i>Tutoring must result in Increased Academic Achievement.</i></p>

Youth Leadership	N	Provides opportunities for youth participants to develop their leadership skills. Youth councils are common vehicles for providing leadership opportunities for youth. Contractors, however, may also propose other strategies for developing the leadership capabilities of youth participants. Other examples of activities that may fall under this service category are community and service learning projects, life skills training, and training in decision-making. <i>Youth Leadership must result in Increased Academic Achievement.</i>
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Contractor shall maintain, subject to inspection and available for review by City staff, the following:

1. **Logic Model Worksheets** – Identifies core service, (e.g. Multi-Benefits Screening & Information and Referral (including one-e-app) and list the inputs (total # of customers annually), target population characteristics and staffing levels; program activities; outputs; and outcomes which include Outcome 1 # of customers who increase their family income/resources, Outcome 2 # of customers increasing their academic performance and the indicators used
2. **Outcomes Summary** – Establishes indicators for the performance outcomes of 1) increased family income/resources; and 2) Increase Youth Academic Performance. The Outcomes Summary identifies the a) total # of customers expected to achieve outcome; aggregated dollar amounts e.g. savings, credits, calculation method and how results will be documented and what measurement tools will be utilized.

F. Performance Measures and Goals

Performance Measures	Performance Goals
Minimum # of Unduplicated Customers to be Served	12
Obtained a Job	
Obtained a Short-term Job	0
Opened a Bank Account	0
Obtained EITC Credit	
Obtained Child Tax Credit	12
Obtained Other Tax Credit	
Obtained Child Support	0
Obtained Child Care	12
Enrolled in Utilities Discount Program	0
Obtained Low Income Auto Insurance	0
Obtained Health Services/Insurance	0
Obtained Food Stamp	
Obtained WIC	0
Obtained TANF (CalWORKS)	
Obtained Other Public Benefit (Income) Assistance	0

Obtained Post-secondary Education Financial Aid	0
Obtained ABE/GED	0
Obtained a Training Program Certificate	0
Minimum # of Customers Achieving Increased Income/Economic Resources	24
Improved Grades	0
Improved Reading/Math skills	
Improved school attendance	
Grade Level Advancement (Retention)	
Re-entered School (for Out-of-School Youth Only)	
Minimum # of Unduplicated Customers Achieving Increased Academic Achievement	
Supportive Services – Disabled Services	
Supportive Services – Food Assistance	
Supportive Services – Legal Services	
Supportive Services Total	0

G. Other Services to be Provided

1. Quality of Service

The Contractor shall make every effort to provide holistic and focused, high caliber services to participants that will empower them to remove identified barriers to their achieving suitable living conditions and expanded economic opportunities, with the aim of becoming self-sufficient.

2. Customer Service Levels

Contractor shall serve the number of unduplicated customers specified herein.

3. Customer Outreach and Recruitment

Contractor shall conduct outreach and educational activities to inform the public of the type(s) and availability of services it offers and, shall recruit customers for project services consistent with the residence and income requirements established by the City of Los Angeles for this Program and by the grantor source.

4. Information and referral services

Contractor shall provide information on social, supportive and advocacy services it offers as well as services offered by other community, educational and public organizations and, further, shall refer and follow up the results of referrals made to other potential sources of assistance. Contractor shall maintain appropriate documentation on all applicant and/or customer referrals, indicating the reason for making the referral and to what provider the referral was made.

5. Orientation to project services

As needed for potential and new customers, the project shall present an introduction to its available services, lead a tour(s) of the project site(s), inform or demonstrate how to use project materials and/or equipment to which customers have access, identify key customer contacts at the agency and/or provide such other information about the project as may assist the visitor in utilizing, or determining to utilize, its services effectively.

6. Uniform customer intake, eligibility determination, verification and certification(s)

Contractor shall conduct a uniform intake process for applicants for service, in substantial conformance with City guidelines and any subsequent directives issued by the City for this Program. Services supported with funding awarded under this Agreement shall be provided to City of Los Angeles residents who live in or are beneficiaries of services located in the City of Los Angeles and whose income does not exceed applicable CSBG-R federal guidelines for poverty, low- and moderate-income persons.

Depending on the nature of the project, actual time of performance or the level of funding, or if required by any City directive subsequently issued for this Program, Contractors may need to address the following performance standards:

- a. Objective assessment of individual/family status to determine assets (i.e., strengths) and barriers to their thriving economically and/or personally, and accumulate baseline data.
- b. Development of a Customer Service Plan, or equivalent, together with the customer individual or family that is tailored to address the customer's needs. The plan must include a self-sufficiency goal(s), realistic objectives and appropriate, coordinated services (based on the completed assessment) that reasonably can be expected to result in desired changes, e.g., increased family income, and increased youth academic achievement.
- c. Implementing and tracking the delivery of services, including monitoring of customer's progress. Through its own or other community resources, the Contractor shall provide or coordinate the full range of interventions or services determined to be appropriate. This process should be supported with a plan for checking, at prescribed intervals or as needed, the participant's level of engagement in the services being (to be) provided and any movement by the customer toward self-sufficiency. To the extent possible, customers also should commit their own efforts to confront barriers to their self-sufficiency.
- d. Periodic reassessment(s) of the customer's status until exit.

§203 CONTRACTOR RESPONSIBILITIES

The Contractor shall provide social, supportive and/or advocacy services to eligible residents of the City of Los Angeles, who reside in or are eligible beneficiaries of services located in the City of Los Angeles using funding awarded by the City by this Agreement for this purpose.

A. General Overview of Contractor Responsibilities

1. The Contractor shall implement, operate and carry out the project awarded funding by the City under the Community Services Block Grant American Recovery and Reinvestment Act (CSBG-R), as specified in the Budget Summary / Expenditure incorporated herein by reference. Contractor shall comply with applicable Federal, State and City policies, principles, ordinances, statutes, rules, regulations, procedures and requirements, including current and future City Directives and Information Bulletins, and any amendments.
2. The Contractor shall ascertain and verify that prospective and actual recipients of services provided under this Agreement are residents of the City of Los Angeles and that their income does not exceed applicable Community Services Block Grant American Recovery and Reinvestment Act (CSBG-R) poverty guidelines, making them eligible for services.

B. Contractor Administration, Operations and Specified Program Responsibilities

Contractor's Administrative Location(s):

ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER
1953 Lake Shore Ave.
Los Angeles, CA 90039

1. Administrative Responsibilities

- a. Manage day-to-day operations of the project;
- b. Maintain the project site and facility(ies), including related supplies and equipment;
- c. Ensure that the project is/remains fully staffed, filling all vacancies in a timely manner with personnel qualified by pertinent education and/or training and experience;
- d. Oversee and monitor all project activities, including those of subcontractors to which program participants are referred;
- e. Safeguard and manage judiciously all funds paid to the project, including, if applicable, funds issued for payment to any subcontractors;
- f. Implement a performance-based procurement system for the selection of subcontractors.
- g. Provide project services consistent with the Community Services Block Grant American Recovery and Reinvestment Act (CSBG-R) funding benefiting persons primarily in poverty;
- h. Target services, to the maximum extent possible, to persons who reflect the demographics of the proposed service area;
- i. If subcontracts apply, ensure that the terms of this Agreement with the City are incorporated into all Subcontractor Agreements. The Contractor shall submit all Subcontractor Agreements to the City for review prior to the release of any funds to the subcontractor. The Contractor shall withhold funds to any subcontractor agency that fails

to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

- j. If subcontracts apply, ensure prior to the execution of a Subcontractor Agreement and, also, to the release of funds to a subcontractor, that the subcontractor agency has provided proper evidence of required insurance coverage(s), naming the City of Los Angeles as additional insured, including general comprehensive, liability, fidelity bond, property, non-owned auto(s), professional liability and workers' compensation, as required by the City.
- k. If subcontracts apply, request payment for a subcontractor agency(ies) only after required program and fiscal documentation has been received from the agency.
- l. Utilize every resource necessary to ensure that a customer(s) remains engaged in prescribed service interventions and completes project-specified activities and/or demonstrates the expected outcomes.

2. Facility Requirements

a. Location

Contractor's facility designated as the site of the project funded under this Program shall be physically located within the boundaries of the City of Los Angeles. The site shall remain as designated herein unless the City approves, in writing, relocation to a new site within the specified service area. Contractor shall provide the City with sixty (60) days advance written notice of its intent to move or close the project site.

b. Accessibility

- 1) Program facilities shall be designed to accommodate customer access, core services offered to participants, customer choice and electronic connectivity.
- 2) All facilities shall be in compliance with the Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. §12101 et seq. Contractor hereby certifies that it will comply with the Americans with Disabilities Act 42, USC §§ 12101 et seq., and its implementing regulations and the Americans with Disabilities Act Amendments Act (ADAAA) Pub. L. 110-325 and all subsequent amendments.

c. Property or Facility Leases

- 1) All leases of property or facilities procured to house a City Program under this agreement must contain a provision which allows the City, at its sole option, to assume the lease for its remaining term, under the same terms and conditions then in effect, in the event that the City terminates Contractor's City agreement or if Contractor abandons the lease.
- 2) All leases of property or facilities procured to house a City Program under this Agreement must contain a provision which provides that any improvements made to the facility or property by Contractor paid for with grant funds, inures to the benefit of the City, and the City may elect, at its sole option, to remove such improvements
- 3) It is recommended that the Contractor, during lease negotiations, request the addition of a funding out clause to the lease agreement whereby the Lessor agrees that if Lessee's grant funding for any calendar year decreases by \$500,000 or more from the previous calendar, Lessee may terminate the lease with one hundred twenty (120) days written notice.

- 4) A copy of all leases and lease amendments must be reviewed and approved by the City prior to signature and be on file with the City prior to the release of cash.
- 5) Contractor shall not sublease, assign, or amend in any manner leases paid for with grant funds without prior written City approval.
- 6) Contractor shall invoice for only that portion of the lease cost that is allocated to City programs. The Contractor is responsible for collecting any portion of the rent due to Contractor under sublease agreements with partners or other entities.

d. Contractor-Owned Facility: Depreciation Allowance

Reimbursement for Contractor-owned facilities shall be based upon the guidelines established in federal Office of Management and Budget (OMB) Circulars A-87, A-102 and A-122, or successive rules.

1) Building Depreciation

Includes the costs of buildings and capital improvements through allowances for depreciation or other equivalent costs. Where depreciation method is followed, adequate property records must be maintained, and any generally accepted method of computing depreciation may be used. The computation of depreciation or use allowance will be based on acquisition cost and exclude the cost of land. The computation will exclude the cost of any portion of the building and improvements either donated or otherwise borne directly or indirectly by the State or Federal Government. If actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used as the basis for the depreciation or use allowance.

2) Building Use Allowance

In lieu of depreciation, a use allowance for building and improvements may be computed at an annual rate not to exceed two percent (2%) of acquisition cost.

e. Project Personnel

- 1) All City-funded positions are deemed to be essential to the work performed under this Agreement. Prior to terminating or diverting project personnel to any other program(s), the Contractor shall notify the City of the proposed move, providing sufficient details to permit the City to evaluate the impact on the program of such change(s) in personnel and, also, the plan for replacement of personnel. The City reserves the right to require through future City directive(s), certification of employees for certain program functions requiring special expertise. All personnel shall be qualified for their position by education and/or experience.

2) Employment of Key Personnel

For the purpose of this Agreement, the Executive Director/CEO/President or the equivalent position title, Project Director/Project Coordinator and Chief Financial Officer needed in support of this Agreement shall be considered Key Personnel. Substitute or replacement personnel hired by Contractor or collaborating subcontractor agencies shall meet the same qualifications as staff identified in the proposal and during budget negotiation. Contractor warrants that it shall replace all key personnel with equally or better qualified staff and shall notify City of any such change.

The Contractor shall employ persons meeting the qualifications for those positions as negotiated between the Contractor and the City for this Agreement.

The Contractor shall not use grant funds provided under this Agreement to pay salaries in excess of the maximum salary designated for each position as negotiated between the Contractor and the City.

Deviation of the foregoing limitations shall require written City approval before becoming effective.

- 3) Contractor shall designate and schedule the availability of one full-time staff position to be responsive to this Agreement and who shall serve as the primary liaison between the Contractor and the City with respect to project administrative issues, e.g., reporting requirements, personnel changes relating to this Agreement, payment requests.

f. Capacity-Building

- 1) Contractor shall actively participate in capacity-building workshops and staff development workshops provided by the City.
- 2) Contractor shall develop and implement a tool for assessing the training needs of project-related staff from its own and all other agencies involved in the operation of this Project.
- 3) Contractor shall develop with input from key project personnel, implement and coordinate a plan for staff training that incorporates, at minimum, opportunities for cross-training on strategies for sharing and integrating case management functions, program services, and the development of common procedures, forms and communication methods, and an integrated system of performance evaluation.

g. Monitoring

1) Internal Monitoring

Contractor shall conduct periodic, objective program and fiscal monitoring reviews of the project it operates to ensure compliance applicable federal, state and City requirements. Monitoring activities will be subject to compliance with a City Directive that will determine the frequency and topics. At minimum, Contractor shall review program performance, expenditure data, internal reports pertinent to the funded project(s), documentation on file relating to outreach efforts, customer intake processing, eligibility verification, objective assessment, customer service plans, grievance procedures and resolution, expenditures versus cost category amounts, cost allocations, cash management practices, procurement methods and selection of subcontractors, and property management.

2) Subcontractor Monitoring (if applicable)

Contractor shall conduct periodic, objective program and fiscal monitoring reviews of the project activities run by its subcontractors.

- a) Contractor shall conduct onsite monitoring of the Subcontractor in accordance with established monitoring procedures and or directives from the City.
- b) Contractor shall prepare and give written monitoring reports to the Subcontractor(s) that, at minimum, identify successes and/or problems, make recommendations for quality improvement, and require, if applicable, the establishment of a corrective action plan to address problematic findings within a specified time frame. Contractor shall

review the corrective action plan, approve in writing the acceptable corrective action(s) and follow up the implementation of corrective action by conducting an independent monitoring effort.

- c) If a fiscal review of the Subcontractor initiated by the Contractor reveals evidence of disallowed costs, Contractor shall notify the City in writing. If fiscal review identifies evidence of fraud and/or abuse, Contractor shall notify the City in writing within 24 hours.

- 3) Contractor shall require that each Subcontractor develop and implement ongoing methods to self-evaluate key subcontractor personnel key and obtain customer feedback for continual improvement of project operations.

3. Customer Satisfaction

Contractor shall develop and maintain on file, and have available for review by authorized representatives of the City or the grantor source, a plan for implementing a system to capture and examine customer feedback on services delivered by the Contractor and subcontractors which, at minimum, incorporates customer advisory groups and/or surveys, and complies with any City Directives and Informational Bulletins relating to customer satisfaction that may be issued.

4. Complaint Procedures

- a. The Contractor shall develop a reasonable complaint resolution procedure in accordance with guidelines prescribed by the City. Additionally, Contractor shall obtain a copy of all subcontractors' complaint procedures, which, also, must meet City requirements. Subcontractors that do not have existing complaint procedures may adopt grievance procedures modeled after the City's. It is the responsibility of the Contractor to ensure that such procedures are in place and to monitor adherence by Subcontractors to said procedures.

The Contractor shall be responsible for compiling and maintaining a log of all complaints filed against itself and/or its subcontractors, and for providing a record of those logs to the City upon request.

- b. Administrative Hearing on Denial of Customer Benefits by Contractor
 - 1). The Contractor has read and agrees to strictly comply with Title 22 of the California code of Regulations, Section 100751, as amended, which sets forth elements to be included in appeal procedures applicable to persons denied benefits and shall advise individuals who have been denied assistance of their right within 20 days to appeal to the State for an administrative hearing pursuant to 42 USC 8624 (b) (13), as amended.
 - 2). A customer may withdraw a request for appeal for administrative hearing of appeal at anytime during the appeal process by rendering written or oral notice to the State. Where oral notice is given, the parties thereto shall confirm such notice in writing.

5. Program Requirements

Contractor shall confirm or provide evidence of the following material representations to remain eligible for funding under this Agreement:

- a. Assure that the facility and project have bilingual capability (English and Spanish and/or English and another language, based on population served). Contractor shall also provide an accessible resource to interpret the needs of project participants fluent in other languages but who do not speak English. Said resource may be in the form of paid staff (regular or on-call) or in

the form of volunteer help. Contractor shall provide a written policy directive to the CDD detailing its method of providing bilingual assistance to customers.

b. Designate one position to be the Administrative Liaison to the City for this Agreement. This position must be one that is employed on a full-time basis by the Contractor and will serve as the primary liaison between the agency and the City with respect to responding to administrative issues, e.g., preparation and submission of required program data and reports, fiscal reports/requests for payment, and training. The Administrative Liaison for this Agreement is:

Name of Administrative Liaison	Nona Baroma
Title	Director
Street Address	1953 Lake Shore Ave. Los Angeles, CA 90039
Mailing Address (if different from above)	
Phone Number	(323) 660-9665
Fax Number	(323) 660-8039
E-mail Address	playgroup@att.net
Days/Times Available	Mon – Fri 9am-5pm

The Contractor shall provide written notice to the City within ten (10) calendar days of any change in the identifying or contact information for the Administrative Liaison.

6. Customer Requirements

Contractor shall ensure that customers meet the following City and CSBG CSBG-R requirements:

- a. During the term of this Agreement, the Contractor shall target its services to persons who reside in the City of Los Angeles. Approximately one hundred percent (100%) of the total customers served shall reside within the boundaries of the City of Los Angeles **not** including unincorporated areas or cities such as Beverly Hills, Culver City, City of San Fernando and West Hollywood.
- b. CSBG-R federal income guidelines are established by the federal government.
- c. The Contractor shall collect, verify and document information and data on residence in the City of Los Angeles, family size and income to determine the eligibility status of potential customers to receive assistance under this funded project. Such documentation for each customer shall be maintained in a file onsite and made available for examination.

Contractor shall maintain in the customer's file the following documents: 1) Intake and/or assessment form for all applicants; 2) all eligibility documentation prior to, or as of, the date the applicant is enrolled in the program; 3) Assessment Documents; 4) Customer Service Plan (when applicable).

7. City Performance Standards

The City of Los Angeles maintains certain minimum expectations for Contractor performance and shall apply these standards in assessing actual Contractor performance relative to the goals as negotiated between the parties to this Agreement. Non-compliance with or failure in meeting contracted goals may result in sanctions as set forth herein

8. Program Income

Program income is the property of the City. Program income is subject to the requirements of 24 CFR 85.25, 24 CFR 570.500 et seq., §§432-434 of this Agreement, and the Contractor's BS/EP/WP.

9. City Reporting Requirements

Contractor shall maintain documentation on file for the purposes of reporting data and information on performance for the funded Program and related project activities in a manner and in such detail that is consistent with the contracted scope of services.

The Contractor shall collect, document and maintain on file and report to the City, as required, information and data on residence, family size, income and racial/ethnic category for all customers receiving assistance under this funded project.

The Contractor shall report to the City such numeric data; statistics, facts, news, details and information on its City funded project(s) using such forms and formats, such as the electronic Integrated Services Information System (ISIS), as the City may prescribe for this purpose.

10. Attendance at City Meetings and/or Training Sessions

The Contractor shall be required to attend all meetings and/or training sessions as identified by the City. The Contractor may be excused from attendance only by prior written consent of the City.

C. Contractor shall provide allowable program services and activities to customers, as determined necessary, appropriate, and reasonable.

D. Program Requirements

1. Ensure that the program is fully staffed, filling all vacancies in a timely manner with experienced and trained personnel that meet City certification requirements, and in compliance with any requirements identified in City Directives;
2. Oversee and monitor all program activities and subcontracts;
3. Safeguard and manage all funds paid to the Contractor including those issued for payment to subcontractors;
4. Implement a performance-based procurement system for the selection of subcontractors.

E. Fiscal Monitoring Requirements

1. CSBG-R funds must be tracked separately from any regular CSBG allocations. If an agency is subcontracting CSBG-R funds, the agency must ensure the subcontractor is aware and has certified the capacity to track and report the CSBG-R funds separately.
2. Contractor shall perform a fiscal oversight of subcontracts. Contractor shall conduct fiscal review at least once during the term of the subcontract. Fiscal review shall include but not be limited to site verification of time sheets, payroll registers, vendor invoices, canceled checks, and other documents deemed necessary to support claims for reimbursement. Contractor shall prepare a report that documents the site visit and make it available for City review.

3. **COMPENSATION**

§301 CONTRACTOR COMPENSATION

A. Compensation

1. The City shall pay to the Contractor an amount not to exceed Seventy Two Thousand Five Hundred Dollars (\$72,500), for the complete and satisfactory performance of the terms of this Agreement. These funds shall be allocated pursuant to the authority of Title II of the American Recovery and Reinvestment Act of 2009 (Public Law 105-285) (the Recovery Act) and shall be expended in accordance with the City approved Budget Summary/Expenditure Plan, incorporated herein by reference. Contractor's authority to

expend these funds shall be for specific time periods as set forth in this Agreement. Contractor's right to receive compensation is conditioned upon compliance with the City's indemnification and insurance requirements, satisfactory performance, and compliance with this Agreement.

2. In no event shall the final expenditures for the period specified herein exceed the total compensation set forth above except as provided for by an amendment to this Agreement.
3. The dollar amount set forth above is subject to change and may be reduced by an Amendment to this Agreement should the City determine that the Contractor's performance does not justify the level of funding.
4. Contractor's reimbursement for expenses incurred in the performance of this Agreement shall be made only upon acceptance by the City of the Contractor's invoice and supporting documentation as described in the Reporting Requirements Section of this Agreement.
5. Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders, or other accounting documents shall be clearly identified and readily accessible. Undocumented expenditures shall not be paid under this Agreement.
6. The City shall pay Contractor for salaries and eligible, allowable, and reasonable expenses as detailed in the City approved Budget Summary/Expenditure Plan, incorporated herein by reference.
7. Contractor shall be paid either on a cost reimbursement or advance funding basis. If the Contractor receives advance funds, it must execute a City approved Special Bank Account Agreement before receipt of funds and shall comply with all agreement and regulatory requirements for safeguarding advance funds. City approval of advance Funding shall be documented on the approved Budget/Expenditure Plan. A Contractor on a cost reimbursement basis of payment shall be paid by the City only upon reporting of actual costs incurred.

B. Funding of Agreement

Funding for all periods of this Agreement is subject to the continuing availability of federal funds for this program to the City. This Agreement may be terminated immediately upon written notice to the Contractor of a loss or reduction of grant funds.

C. Payment to the Contractor

1. The City makes no commitment to fund this project beyond the initial term of this Agreement. The City shall review Contractor's performance on a periodic basis. In the event the City determines that the Contractor is not meeting its proposed performance measures, the City may unilaterally reduce the compensation set forth above in compliance with the provisions set forth in this Agreement, upon written notice to Contractor and as set forth by a written amendment.
2. Contractor shall be reimbursed for reasonable and allowable expenses incurred under this Agreement. Unless Contractor has been approved to receive advance payments, all payments shall be on reimbursement basis. Contractors who are on an advance payment plan authorized by the City as described in the Budget Summary/Expenditure Plan, shall bill the City for all reasonable and allowable costs under the terms of this Agreement.

3. Contractors not on advance payment plan shall request reimbursements by submitting the cash request, monthly expenditure report and all other documents as required by City. Contractor shall be reimbursed after City has received the monthly expenditure report and all other required documents and after City determines that Contractor has incurred and expended funds for reasonable and allowable costs under this Agreement.
 4. Contractor shall submit a final close out fiscal report showing final expenditures and other documents as required by City within 20 (Twenty) days after the termination date of this Agreement.
 5. Reasonable and allowable costs shall be determined pursuant to the Allowable and Unallowable Cost Section set forth below in this Agreement.
- D. Stand-In Costs: Contractor shall identify, document, and account for "stand-in" costs. These stand-in costs shall be reported to the City in each invoice.
 - E. Profit: Contractor shall comply with City Directives regarding profit or return on investment.
 - F. Indirect Costs: Payment for indirect costs, if any, shall be released in accordance with instructions stated in the Federal Cognizant Agency's approval letter of indirect cost rates on file with the City pursuant to the Single Audit Act and OMB circulars.
 - G. Applicable Discounts: Contractor warrants that any applicable discounts have been included in any invoices submitted to the City.
 - H. Concurrent Enrollment: If the Contractor is serving customers, concurrently utilizing more than one (1) funding stream, the Contractor is responsible for tracking the services delivered and the expenditures reported to ensure that services and expenditures are not duplicated.
 - I. Overtime Work: Unless specifically stated within this Agreement or authorized by the City in writing, Contractor shall not incur overtime work expenditures.
 - J. Travel:
 1. Contractor shall be compensated for Contractor's reasonable expenses incurred in the performance of this Agreement, that include travel and per diem costs, unless otherwise expressed. Contractor's total travel for in-State and/or out-of-State and per diem costs shall be included in this Agreement's Budget Summary/Expenditure Plan.
 2. Contractor's administrative-related travel and per diem reimbursement costs shall be reimbursed based on the Contractor's policies and procedures. For programmatic-related travel costs, Contractor's reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, §599.619, dated July 1, 1997, and as amended from time to time. All travel, including out-of-State travel not included in the budget(s), shall not be reimbursed without prior written authorization from the Department of Community Services and Development, State of California.

4. METHODS AND PROCEDURES GOVERNING PAYMENT

§401 WITHHELD PAYMENTS

- A. Unearned payments under this Agreement may be suspended or not released if funds granted to the City are suspended or terminated.
- B. The City has the authority to withhold funds under this Agreement pending a final determination by the City of questioned expenditures or indebtedness to the City arising from past or present

agreements between the City and the Contractor. Upon final determination by the City of disallowed expenditures or indebtedness, the City may deduct and retain the amount of the disallowance or indebtedness from the amount of the withheld earned funds.

- C. In the event of a final determination of disallowed costs or a determination of unearned grant funds by either the City of Los Angeles, the State of California, or the Federal Grantor Agency, Contractor agrees that it shall pay to the City of Los Angeles in non-federal funds, the amount of the final disallowance within 30 (Thirty) days of receipt of notice from the City that such funds are due.
- D. Payments to the Contractor may be unilaterally withheld or reduced by the City if the Contractor fails to comply with the provisions of this Agreement.

§402 FUNDS EARNED PRIOR TO THE COMMENCEMENT OF THIS AGREEMENT

The Contractor shall not earn funds provided under this Agreement prior to the commencement of this Agreement. The Contractor shall not earn funds subsequent to suspension or termination of this Agreement.

§403 ALLOWABLE AND UNALLOWABLE COSTS

- A. To be eligible for payment under this Agreement, costs or expenditures must be made in compliance with this Agreement, and Office of Management and Budget Circular (OMB) A-122, and with the principles set forth below:
 - 1. Be necessary and reasonable for the proper and efficient performance of this Agreement and in accordance with the approved Budget Summary/Expenditure Plan on file and approved by the City; the City shall have final authority to determine in good faith whether an expenditure is necessary and reasonable;
 - 2. Conform to the limitations within these General Conditions and to any governing statutes, regulations and ordinances;
 - 3. Be fully documented and determined in accordance with generally accepted accounting procedures;
 - 4. Not be included as a cost or used to meet cost sharing or matching requirements for any other government funding source in either the current or a prior period, except when permitted by the respective government funding sources.
- B. The following costs, among others, are specifically disallowed:
 - 1. Bad Debts: Any losses arising from un-collectible accounts and other claims, and related costs;
 - 2. Contingencies: Contributions to a contingency reserve or any similar provisions for unforeseen events;
 - 3. Contributions and donations;
 - 4. Entertainment: Costs of amusements, social activities and incidental costs, such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity;
 - 5. Fines and Penalties: Costs resulting from violations of, or failure to comply with Federal, State, and local laws and regulations;

6. Interest and Other Financial Costs: Interest or borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith;
7. Membership Expenses: Costs of membership in any organization that devotes a substantial part of its activities to influencing legislation;
8. Travel: Contractor shall be compensated for Contractor's reasonable expenses incurred in the performance of this Agreement, to include travel and per diem costs, unless otherwise expressed. Contractor's total travel for in-State and/or out-of-State and per diem costs shall be included in the agreement budget(s). All travel including out-of-State travel not included in the budget(s) shall not be reimbursed.
9. Meeting Attendance: Costs of attending meetings directly related to the performance of this Agreement that are not open for attendance on a non-segregated basis;
10. Non-competitive Subcontractors: Payments under a sub-agreement not obtained under competitive bidding procedure unless specifically waived by the City;
11. Insurance policies offering protection against debts established by the Federal Government;
12. Costs prohibited by Federal (Lobbying Restrictions) (31 USC §1352) or costs related to any activity designed to influence legislation or appropriations pending before the Congress of the United States;
13. Advancements or reimbursements for expenditures that are determined by the City to be unallowable must be immediately returned to the City;
14. Grant funds may not be used to supplant existing services.

§404 PROGRAM INCOME

- A. Program income is defined as income earned through the activities funded by this Agreement. Program income includes, but is not limited to, grants, fees that duplicate payments; average daily attendance (ADA) payments earned through program funded activities; and public or nonprofit agency revenues in excess of agreement costs.
- B. Interest earned on advances received pursuant to the terms of this Agreement is "program income." All interest earned must be reported as part of the Contractor's monthly expenditure report and must be returned to the City quarterly by separate check made payable to the City, that identifies that the amount represents interest earned on advanced funds.
- C. Any program income must be reported to the City on the expenditure report, and must be returned to the City in accordance with the City's written direction to the Contractor. At the City's discretion, program income may be used to augment the Contractor's program. Use of program income is permitted only by written amendment to this Agreement. Should this use of program income be approved, Contractor shall maintain records in support of all earnings and expenditures relating to the use of those funds in accordance with City of Los Angeles record retention and audit requirements. The City shall monitor Contractor's compliance with all Program Income requirements.
- D. Contractor's failure to comply fully with program income requirements including any City Directives or regulations, shall result in findings of disallowed costs.

§405 RETURN OF PROGRAM INCOME

The Contractor shall, within 20 (Twenty) days of the expiration of this Agreement, transmit to the City any, and all, program income directly generated by funds provided by the Agreement. CDBG Program Income is defined in 24 CFR 85.25 and 24 CFR 570.500. Any program income on hand when this Agreement expires, or received after the Agreement expiration, shall be paid to the City as required by 24 CFR 85.25 and 24 CFR 570.503(b)(8).

§406 RETURN OF UNEXPENDED FUNDS AND CLOSEOUTS

- A. The Contractor agrees that either upon completion or termination of this Agreement any unexpended funds, whether advances, interest earned on advances or unearned funds, shall be immediately returned to the City Treasury; in no event later than 20 (Twenty) days after completion or termination.
- B. The Contractor shall submit a complete and accurate final closeout invoice of costs and reimbursements for services performed under this Agreement to the City within 20 (Twenty) days following the termination or completion of this Agreement. Failure by the Contractor to comply with the 20 (Twenty)-day requirement may result in a unilateral close-out of this Agreement by the City based on previous invoices filed with the City, and/or the imposition of sanctions as specified herein. Requests for payment received after the 20 (Twenty) day period shall not be paid by the City.

§407 CUSTOMER RELATED THIRD-PARTY COSTS

- A. Definition:

Customer related third-party costs shall be defined as costs incurred for work experience wages, and fringe benefits; supportive services and needs related payments; and third party training agreements subcontractors and procured tuition payment/voucher agreement, as allowed to Contractor in the approved Budget Summary / Expenditure Plan.
- B. Limitations
 - 1. Contractor shall provide necessary and allowable supportive services and needs related payments to eligible customers who would not otherwise be able to participate.
 - 2. Contractor shall comply with supportive services guidelines issued by the City.
 - 3. The cost of the supportive service must be paid directly to the vendor of the particular service wherever possible.
 - 4. All wages earned or other cash funds provided to a customer must be paid in the form of a check or voucher that documents the amount paid and the appropriate withholdings.
- C. Documentation: Contractor shall obtain and maintain on file documentation to support all requests for cost reimbursements. At a minimum documentation shall include the following:
 - 1. Copies of time cards and canceled checks for wages paid to work experience and customized training customers;
 - 2. Copies of time cards and canceled checks for wages paid;
 - 3. Copies of invoices from vendors and canceled checks paid to vendors for supportive services or tuition;
 - 4. Copies of needs based assessment, payment authorization, and canceled check paid to the customer;

5. Copies of the childcare supportive needs assessment, the agreement form, and canceled check paid to the childcare provider.

5. STANDARD PROVISIONS

§501 INDEMNIFICATION

Except for the active negligence or willful misconduct of City, or any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest, Contractor undertakes and agrees to defend, indemnify, and hold harmless City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands, and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including Contractor's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions, or willful misconduct incident to the performance of this Agreement by the Contractor or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California and the City. The provisions of Section 501 shall survive expiration or termination of this Contract.

§502 INSURANCE

A. General Conditions

During the term of this Agreement and without limiting Contractor's indemnification of the City, Contractor shall provide and maintain at its own expense a program of insurance having coverage and limits customarily carried and actually arranged by the Contractor but not less than the amounts and types listed on the Required Insurance And Minimum Limits Sheet (Form Gen. 146) in Exhibit A hereto, covering its operations hereunder. Such insurance shall conform to City requirements established by Charter, ordinance or policy, shall comply with instructions set forth on the City of Los Angeles—Instructions And Information On Complying With City Insurance Requirements (Revised 9/06) document, and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. Specifically, such insurance shall: 1) protect City as an Insured or an Additional Interest Party, or a Loss Payee As Its Interest May Appear, respectively, when such status is appropriate and available depending on the nature of applicable coverage; 2) provide City at least 30 (Thirty) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at option of the insurer; 3) be primary with respect to City's insurance plan. Except when City is a named insured, Contractor's insurance is not expected to respond to claims that may arise from acts or omissions of the City.

B. Modification of Coverage

City reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving Contractor 90 (Ninety) days advance written notice of such change. If such change should result in substantial additional cost to the Contractor, City agrees to negotiate additional compensation proportional to the increased benefit to City.

C. Failure to Procure Insurance

All required insurance must be submitted and approved by the City Administrative Officer/Risk Management/Insurance and Bonds prior to the inception of any operations or tenancy by Contractor. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by City. Non-availability or non-affordability must be documented by a letter from Contractor's insurance broker or agent indicating a good faith effort to place the

required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

Within the foregoing constraints, Contractor's failure to procure or maintain required insurance or a self-insurance program during the entire term of this Agreement shall constitute a material breach of this Agreement under which the City may immediately suspend or terminate this Agreement or, at its discretion, procure or renew such insurance to protect City's interests and pay any and all premiums in connection therewith and recover all monies so paid from Contractor.

D. Workers' Compensation

By signing this Agreement, Contractor hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the Labor Code that require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Agreement.

A Waiver of Subrogation in favor of City will be required when work is performed on City premises under hazardous conditions.

§503 BONDS

All bonds that may be required hereunder shall conform to City requirements established by Charter, ordinance or policy and shall be filed with the Office of the City Administrative Officer, Risk Management for its review in accordance with Los Angeles Administrative Code §11.47 through §11.56.

§504 CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against the City or the Contractor. The word "Contractor" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one (1) Contractor as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

§505 APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City. This Agreement shall be enforced and interpreted under the laws of the State of California and the City.

In any action rising out of this Contract, the Contractor consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§506 INTEGRATED AGREEMENT

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§507 EXCUSABLE DELAYS

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.

Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; unusually severe weather; epidemics; quarantine restrictions; strikes, freight embargoes, or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§508 PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

- A. The Contractor shall not assign, delegate, subcontract, transfer, novate, or otherwise alienate this Agreement, nor assign or transfer any right, interest or obligation in this Agreement, including the right to payment, without prior written consent of the City.
- B. The Contractor shall not enter into any agreement with any other party under which such other party shall become the recipient of claims due or to become due to the Contractor from the City without prior written consent of the City.

§509 PERMITS

The Contractor and its officers, agents, employees, and subcontractors shall obtain and maintain all permits and licenses necessary for the Contractor's performance hereunder and shall pay any fees required therefore. The City is not permitted to waive any fees for services, except as otherwise required by law. Among the permits and licenses that may be required are Conditional Use Permits, B-Permits, Building Permits, Incorporation Fees, or State Licensing Fees of any kind.

The Contractor further certifies to immediately notify the City of any suspension, termination, lapses, non-renewals or restrictions of licenses, certificates, or other documents.

§510 NONDISCRIMINATION AND AFFIRMATIVE ACTION

- A. The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, the Contractor shall not discriminate in its employment practices, denial of family and medical care leave; denial of pregnancy disability leave or reasonable accommodations against any employee for applicant for employment because of such person's race, color, religion, sex, national origin, ancestry, sexual harassment, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status, medical condition, citizenship, and political affiliation or belief. The Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).
- B. The Contractor shall comply with the provisions of the Los Angeles Administrative Code §10.8 through §10.13, to the extent applicable hereto. If this Agreement contains a consideration in excess of One Thousand Dollars (\$1,000), but not more than One Hundred Thousand Dollars (\$100,000), the Equal Opportunity practices provisions of this Agreement shall be the mandatory agreement provisions set forth in Los Angeles Administrative Code §10.8.3, in which event said provisions are incorporated herein by this reference. If this Agreement contains a consideration in excess of One Hundred Thousand Dollars (\$100,000), the Affirmative Action Program of this Agreement shall be the mandatory agreement provisions set forth in Los Angeles Administrative Code §10.8.4, in which event said provisions are incorporated herein by this reference. The Contractor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City.

- C. Any subcontractor entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.
- D. No person shall on the grounds of race, ancestry, color, national origin, sex, sexual preference, age, physical handicap, marital status or domestic partner status be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this program/project. For purposes of this section, Title 24 Code of Federal Regulations, Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in situation as defined therein.

§511 CLAIMS FOR LABOR AND MATERIALS

The Contractor shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Agreement so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible matter produced by the Contractor hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

§512 LOS ANGELES CITY TAX REGISTRATION CERTIFICATE

If applicable, Contractor represents that it has obtained and presently holds the Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, §21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Agreement, the Contractor shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended.

§513 CONFLICT OF INTEREST

No City-funded Employees as Board Members

The City will not execute any Agreements and/or Amendments with Contractors where an employee (an individual who is paid or receives any financial benefit from funds from the Agreement with the City), is a member of the Board of Directors.

Code of Conduct

The City requires that all Contractors/Sub-Contractors adopt a Code of Conduct that, at a minimum, reflects the constraints discussed in CDD Directive Number FY07-0001 and this Agreement. No Agreements and/or Amendments will be executed without City approval of this Code of Conduct.

Further, the City requires compliance with the following conflict of interest requirements for all City funded contractors:

Conflict of Interest

- A. Prior to obtaining the City's approval of any subcontractor, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- B. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontractor supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontractor;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 *et seq.*, if such person were a public officer, because such person would have a "financial or other interest" in the subcontractor.

C. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.
2. The term "financial or other interest" includes but is not limited to:
 - a. Any direct or indirect financial interest in the specific agreement, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five (5) percent or more; ownership of five (5) percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
3. A subcontractor is any agreement entered into by Contractor for the purchase of goods or services with any funds provided by this Agreement.

- D. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.
- E. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.
- F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- G. The Contractor shall not subcontract with a former director, officer, or employee within a one (1) year period following the termination of the relationship between said person and the Contractor.
- H. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- I. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.
- J. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any agreement or subcontractor or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- K. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

- L. The Contractor warrants that it has adopted and shall comply with the Code of Conduct, as approved by the City, which meets the foregoing requirements.

§514 CSBG-R PROVISIONS

Contractor shall comply with all applicable requirements of state and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. Contractor shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

A. ACCOUNTABILITY AND TRANSPARENCY

DEFINITIONS

In this title:

- 1) **AGENCY.**—The term “agency” has the meaning given under section 551 of Title 5, United States Code.
- 2) **BOARD.**—The term “Board” means the Recovery Accountability and Transparency Board established in section 1521.
- 3) **CHAIRPERSON.**—The term “Chairperson” means the Chairperson of the Board.
- 4) **COVERED FUNDS.**—The term “covered funds” means any funds that are expended or obligated from appropriations made under this Act.
- 5) **PANEL.**—The term “Panel” means the Recovery Independent Advisory Panel established in section 1541.
- 6) **RECIPIENT.**—The term “recipient”-

(A) Means any entity that receives recovery funds directly from the Federal Government (including recovery funds received through grant, loan, or contract) other than an individual; and

(B) includes a State that receives recovery funds.
- 7) **RECOVERY FUNDS** – The term “recovery funds” means any funds that are made available from appropriate made under this Act. (§1501, Act)

B. INSPECTOR GENERAL REVIEWS

REVIEWS.—Any inspector general of a Federal department or executive agency shall review, as appropriate, any concerns raised by the public about specific investments using funds made available in this Act. Any findings of such reviews not related to an ongoing criminal proceeding shall be relayed immediately to the head of the department or agency concerned. In addition, the findings of such reviews, along with any audits conducted by any inspector general of funds made available in this Act, shall be posted on the inspector general's website and linked to the website established by section 1526, except that portions of reports may be redacted to the extent the portions would disclose information that is protected from public disclosure under sections 552 and 552a of title 5, United States Code. (§1514, Act)

C. ACCESS OF OFFICES OF INSPECTOR GENERAL TO CERTAIN RECORDS AND EMPLOYEES

- 1) ACCESS.—With respect to each contract or grant awarded using covered funds, any representative of an appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), is authorized—

(A) to examine any records of the contractor or grantee, any of its subcontractors or subgrantees, or any State or local agency administering such contract, that pertain to, and involve transactions relating to, the contract, subcontract, grant, or subgrant; and

(B) to interview any officer or employee of the contractor, grantee, subgrantee, or agency regarding such transactions.

- 2) RELATIONSHIP TO EXISTING AUTHORITY.—Nothing in this section shall be interpreted to limit or restrict in any way any existing authority of an inspector general. (§1515, Act)

D. RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD

- 1) Establishment of the Recovery Accountability And Transparency Board

There is established the Recovery Accountability and Transparency Board to coordinate and conduct oversight of covered funds to prevent fraud, waste, and abuse... (§1521, Act)

- 2) FUNCTIONS OF THE BOARD
(A) FUNCTIONS.—

(i) IN GENERAL.—The Board shall coordinate and conduct oversight of covered funds in order to prevent fraud, waste, and abuse.

(ii) SPECIFIC FUNCTIONS.—The functions of the Board shall include—

... (C) auditing or reviewing covered funds to determine whether wasteful spending, poor contract or grant management, or other abuses are occurring and referring matters it considers appropriate for investigation to the inspector general for the agency that disbursed the covered funds;... (§1523, Act)

- 3) POWERS OF THE BOARD

(A) IN GENERAL.—The Board shall conduct audits and reviews of spending of covered funds and coordinate on such activities with the inspectors general of the relevant agency to avoid duplication and overlap of work.

(B) AUDITS AND REVIEWS.—The Board may—

(i) conduct its own independent audits and reviews relating to covered funds; and

(ii) collaborate on audits and reviews relating to covered funds with any inspector general of an agency.

(C) AUTHORITIES.—

(i) AUDITS AND REVIEWS.—In conducting audits and reviews, the Board shall have the authorities provided under section 6 of the Inspector General Act of 1978 (5 U.S.C. App.). Additionally, the Board may issue subpoenas to compel the testimony of persons who are not Federal officers or employees and may enforce such subpoenas in the same manner as provided for inspector general subpoenas under section 6 of the Inspector General Act of 1978 (5 U.S.C. App.) (§1524, Act)

4) BOARD WEBSITE

...(A) The website shall provide detailed data on contracts awarded by the Federal Government that expend covered funds, including information about the competitiveness of the contracting process, information about the process that was used for the award of contracts, and for contracts over \$500,000 a summary of the contract...

...(B) The website shall provide a means for the public to give feedback on the performance of contracts that expend covered funds. (§1526 in part, Act)

5) INDEPENDENCE OF INSPECTORS GENERAL

(A) INDEPENDENT AUTHORITY.—Nothing in this subtitle shall affect the independent authority of an inspector general to determine whether to conduct an audit or investigation of covered funds. (§1527 Act)

6) COORDINATION WITH THE COMPTROLLER GENERAL AND STATE AUDITORS

The Board shall coordinate its oversight activities with the Comptroller General of the United States and State auditors. (§1528, Act)

E. ADDITIONAL ACCOUNTABILITY and TRANSPARENCY REQUIREMENTS

1) PROTECTING STATE AND LOCAL GOVERNMENT AND CONTRACTOR WHISTLEBLOWERS

(A) PROHIBITION OF REPRISALS.—An employee of any non-Federal employer receiving covered funds may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Board, an inspector general, the Comptroller General, a member of Congress, a State or Federal regulatory or law enforcement agency, a person with supervisory authority over the employee (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct), a court or grand jury, the head of a Federal agency, or their representatives, information that the employee reasonably believes is evidence of—

(i) gross mismanagement of an agency contract or grant relating to covered funds;

(ii) a gross waste of covered funds;

(iii) a substantial and specific danger to public health or safety related to the implementation or use of covered funds;

(iv) an abuse of authority related to the implementation or use of covered funds; or

(v) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to covered funds. (§1553 in part, Act)

2) REQUIREMENT TO POST NOTICE OF RIGHTS AND REMEDIES

Any employer receiving covered funds shall post notice of the rights and remedies provided under this section... (§1553 in part, Act)

F. SPECIAL CONTRACTING PROVISIONS

To the maximum extent possible, contracts funded under this Act shall be awarded as fixed-price contracts through the use of competitive procedures. A summary of any contract awarded with such funds that is not fixed-price and not awarded using competitive procedures shall be posted in a special section of the website established in section 1526. (§1554, Act)

G. PREFERENCE FOR QUICK-START ACTIVITIES

In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit. (§1602, Act)

H. LIMIT ON FUNDS

None of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. (§1604)

I. BUY AMERICAN

USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS

- 1) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.
- 2) Subsection (1) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that—
 - (A) applying subsection (1) would be inconsistent with the public interest;
 - (B) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
 - (C) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
- 3) If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (1) based on a finding under subsection (2), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- 4) This section shall be applied in a manner consistent with United States obligations under international agreements. (§1605, Act)

J. WAGE RATE REQUIREMENT

Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with

subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code. (§1606)

K. FALSE CLAIMS ACT

Contractor agrees that it shall promptly notify the State and shall refer to an appointed federal inspector general any credible evidence that a principal, employee, agent, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CSBG-R funds.

§515 SPECIAL CSBG-R CONDITIONS

A. STATE OF CALIFORNIA CSBG-R PROVISIONS

1. That the parties shall be guided by and subject to the provisions of CSBG-R, CSBG-R-related legislation, and all Federal and State regulations, directives, guidance and circulars issued for the purpose of implementing the CSBG-R program;
2. Because some requirements of the CSBG-R program lack specificity, particularly with regard to, but not limited to, reporting requirements, funding allocations, timeframes and the like, the City shall provide Contractor with specific CSBG-R requirements as they are issued or are otherwise made available to the City by the Federal and State Government, which requirements shall be binding on the Contractor as a condition of the Contractor's participation in the CSBG-R program, and as a condition of receipt of funds under the program, PROVIDED:
 - a) That such additional requirements shall be issued by the City in writing in the form of "CSBG-R program guidance, bulletins and/or directives;"
 - b) That such additional requirements shall be issued by the City in the most timely and expeditious manner practicable;
 - c) That such additional requirements shall be reasonably necessary to satisfy the Contractor's and the City's CSBG-R Obligations and to realize the purposes of CSBG-R;
 - d) That major and material changes in the CSBG-R program and/or CSBG-R requirements which substantially affect the Contractor's and/or the City's ability to fulfill their CSBG-R Obligations or otherwise serve to create a substantial hardship on either the Contractor or the City shall be subject to an amendment to this Agreement;
 - e) That the parties' failure to execute a mutually acceptable amendment, as contemplated in subparagraph B., 4) above, in a reasonable period of time, given the exigencies of the CSBG-R program, shall result in this Agreement's being without force and effect subject only to such provisions contained herein as are intended to survive the Agreement in accordance with the express and implied provisions of applicable Federal and State law; and
 - f) That upon City's good faith determination, delivered to the Contractor by written notice, that Agreement between the parties to any necessary amendment as contemplated in subparagraph B., 4) above, cannot be achieved, then this Agreement shall be "closed out" and the funds disposed in accordance with established CSD procedure and policy and as required under Federal and State law.

3. That the Contractor shall, in accordance with such governing laws, charter, articles, bylaws, ordinances, rules and procedures as are applicable to the Contractor, issue resolutions for the approval of this Agreement which may address the unique nature of CSBG-R program requirements and CSBG-R Obligations and which may create provisional or conditional authorizations or approvals that are subject to further elaboration and/or determination as contemplated in subsection 2. above, to include, but not limited to grant amounts, and such other provisions which may, during the term of this Agreement, be altered or adjusted as a result of actions by the Federal and State Governments in accordance with CSBG-R and CSBG-R Obligations. Should the Contractor be obligated under its own procedure to amend or reissue such resolutions as are contemplated herein, it shall provide a copy of such resolution to the City as soon as is practicable.

4. That for purposes of ensuring full compliance with CSBG-R and CSBG-R Obligations, the City or State CSD may initiate special audits, monitoring visits and requests for CSBG-R program-related information, which Contractor shall provide and/or accommodate in a timely fashion.

5. That Contractor shall, to the extent practical and feasible, include in all informational materials made available to the general public, including but not limited to newsletters, bulletins, fliers, advertisements, forms and signs, the following phrase: "This project, program or service is funded in whole or in part by the American Recovery and Reinvestment Act of 2009 in cooperation with the California Department of Community Services and Development."

6. PURPOSE

Contractor agrees to provide services and activities to advance self sufficiency and reduce economic dependency in accordance with the federal provisions of Public Law 105-285, Title II – Community Services Block Grant Program, Subtitle B – Community Services Block Grant Program of the Community Services Block Grant Act/American Recovery and Reinvestment Act 2009 to eligible beneficiaries residing in Contractor's Service Area.

7. ORDER OF PRECEDENCE

In the event of any inconsistency among any provisions of this Agreement, the American Recovery and Reinvestment Act of 2009, Public Law 111-5 shall take precedence.

8. SEPARATE ACCOUNTING

Grantees must segregate the obligations and expenditures related to funding under the Recovery Act. Financial and accounting systems should be revised as necessary to segregate, track and maintain these funds apart and separate from other revenue streams. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects. Recovery Act funds can be used in conjunction with other funding sources as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and OMB Guidance.

9. SUBCONTRACTING

- a) Contractor is charged with responsibility of ensuring that the strategic objectives, including the transparency and accountability requirements of CSBG-R, are met with respect to all subcontracts executed in furtherance of this agreement and of the CSBG-R program. Accordingly, Contractor's CSBG-R-related subcontracts shall incorporate the essential provisions, duties and obligations set forth herein and Contractor shall ensure that subcontractors' performance is fully compliant with this agreement.
- b) In order to effect the purpose and intent of subsection A, above, Contractor shall obtain written pre-approval from the City to enter into any subcontract agreement and, if approved, shall:
 - (i) submit to the City within 30 calendar days of execution of each CSBG-R subcontractor agreement the name of the subcontractor, its address, telephone number, contact person, CSBG-R contract amount, CSBG-R project name, CSBG-R project description, expected outcomes, projected number of jobs to be created, projected number of jobs to be retained and a brief description of the types of jobs to be created and retained.
 - (ii) monitor subcontractor performance to ensure compliance;
 - (iii) assess risk of failure of compliance and take steps necessary to mitigate such risk;
 - (iv) develop monitoring tools and schedules and conduct evaluations in order to effect the purposes of subsections 2) and 3) above;
 - (v) direct subcontractors to register in Central Contractor Registration (CCR) and obtain a Dun and Bradstreet Universal Numbering System (DUNS) number; and
 - (vi) provide the City with copies of all subcontracts, monitoring tools and monitoring schedules, subcontractors' CCR and DUNS number, as well as risk assessment plans and evaluation reports developed by Contractor.
- c) Contractor agrees to separately identify to each subcontractor and to document at the time of subaward and at the time of disbursement of funds, the Federal award number, Catalog of Federal Domestic Assistance number, and amount of CSBG-R Funds. When a Contractor awards CSBG-R funds for an existing program, the information furnished to subcontractor shall distinguish the subawards of CSBG-R funds from regular subawards under the existing program.
- d) Contractor agrees to require its subcontractor to include on its Schedule of Expenditures of Federal Awards (SEFA) information to specifically identify CSBG-R funding similar to the requirements for the recipient SEFA. This information is needed to allow the City to properly monitor subcontractor expenditure of CSBG-R funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.
- e) All subcontracts, procurement agreements, equipment purchases and the like entered into under the CSBG-R program shall be subject to the competitive bid process as required under OMB guidelines and as provided in §702 – Procurement Procedures, of this agreement, except however, the minimum threshold qualifying amount to require three (3) written bids shall be \$500, in conformance with the great accountability requirements of CSBG-R. In the event Contractor is unable to comply with the competitive bid process, justification for a Non-Competitively Bid (NCB) Contract must be submitted to the City for pre-approval.

- f) Given the high standards and expectations for transparency and accountability under CSBG-R and the strong emphasis on reducing the incidence of waste, fraud and abuse, the State CSD has provided the City and Contractor with more detailed guidance on subcontract management, with particular attention given to risk assessment and subcontractor monitoring. This information is available on the CSD website at www.csd.ca.gov, under the title "Recovery Act." To comply with the provisions of this paragraph, Contractor is highly encouraged to consult the guidance and to follow the guidelines set out therein.
- g) CSBG-R funds must be tracked separately from the regular CSBG allocation. If a Contractor will be subcontracting CSBG-R funds, the agency must ensure the subcontractor is aware and has certified the capacity to track and report the CSBG-R funds separately.

10. LEGAL AUTHORITY

In accordance with Public Law 105-285 Title II, Community Service Grant Program, Subtitle B-Community Services Block Grant Program of the Community Block Services Block Act, as amended, authorizes the Department of Community Services and Development to administer the American Recovery and Investment Act of 2009. All grant awards made under this Program shall comply with applicable law including regulations contained in 45 CFR, the American Recovery and Reinvestment Act of 2009 and other procedures applicable to this regulation as CSBG may, from time-to-time, prescribe for the administration of financial assistance.

11. CSBG-R TERMS, CONDITIONS AND PROVISIONS

a) Program Standards

The provisions of Public Law 105-285, Title II – Community Services Block Grant Program, Subtitle B – Community Services Block Grant Program of the Community Services Block Grant Act, the provision of the current approved Community Services Block Grant State plan, including all approved amendments or revision. OMB M-09- 10 Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009.

b) Administrative Requirements in accordance with Title 45 of the Code of Federal Regulations (CFR).

45 CFR Part 16 – Procedures of the Departmental Grant Appeals Board;
 45 CFR Part 30 – Claims Collection;
 45 CFR Part 76 – Debarment and Suspension from Eligibility for Financial Assistance (Nonprocurement);
 45 CFR Part 80 - Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964;
 45 CFR Part 81 - Practice and Procedure for Hearings Under Part 80 of this Title;
 45 CFR Part 84 - Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance;
 45 CFR Part 86 – Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;
 45 CFR Part 87 – Equal Treatment for Faith-Based Organizations;
 45 CFR Part 91 – Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance;
 45 CFR Part 93 – New Restrictions on Lobbying;

45 CFR Part 96 – Block Grants;
45 CFR Part 97 – Consolidation of Grants to the Insular Areas;
45 CFR Part 100 – Intergovernmental Review of Department of Health and Human Services Programs and Activities

The above documents are hereby incorporated by reference into this Agreement. To access these documents, please visit www.csd.ca.gov

- c) In accordance with Public Law 103-333, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995," the following provisions are applicable to this grant award:

Section 507: "Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made."

Section 508: "When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all States receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources."

d) In accordance with Part C of Public Law 103-227, the "PRO-KIDS Act of 1994," smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs wither directly or through State or local governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities and used for inpatient drug and alcohol treatment.

e) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Single Audit Act of 1984, as amended.

f) Recovery Act funds may be used for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

12. SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING CSBG-R FUNDS

- a) CSBG-R FUNDED PROJECT: Funding for this project has been provided through the Act, Pub. L. 111-5. All contractors, including both prime and subcontractors, are subject to audit by appropriate federal or State of California (State) entities. The State has the right to cancel, terminate, or suspend the contract if any contractor or subcontractor fails to comply with the reporting and operational requirements contained within.

- b) **ENFORCEABILITY:** Contractor agrees that if Contractor or one of its subcontractors fails to comply with all applicable federal and State requirements governing the use of CSBG-R funds, the State may withhold or suspend, in whole or in part, funds awarded under the program, or recover misspent funds following an audit. This provision is in addition to all other remedies available to the State under all applicable State and federal laws.
- c) **PROHIBITION ON USE OF CSBG-R FUNDS:** Contractor agrees in accordance with ARRA, Section 1604, that none of the funds made available under this contract may be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pools.
- d) **REQUIRED USE OF AMERICAN IRON, STEEL, AND OTHER MANUFACTURED GOODS:** Contractor agrees that in accordance with ARRA, Section 1605, neither Contractor nor its subcontractors will use CSBG-R funds for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in this project are produced in the United States in a manner consistent with United States obligations under international agreements. The Contractor understands that this requirement may only be waived by the applicable federal agency in limited situations as set out in ARRA, Section 1605.
- e) **WAGE RATE REQUIREMENTS:** In accordance with ARRA, Section 1606, the Contractor assures that it and its sub-recipients shall fully comply with said section and notwithstanding any other provision of law and in a manner consistent with other provisions of ARRA, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the federal government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code (Davis-Bacon Act). It is understood that the Secretary of Labor has the authority and functions set forth in the Reorganization Plan Numbered 14 or 1950 (64 Stat. 1267; 5 U.S.C. App.) and Section 3145 of Title 40, United States Code.
- f) **INSPECTION OF RECORDS:** In accordance with ARRA Sections 902, 1514 and 1515, Contractor agrees that it shall permit the State of California, the United States Comptroller General or his representative or the appropriate Inspector General appointed under Section 3 or 8G of the United States Inspector General Act of 1978 or his representative to: (1) examine any records that directly pertain to, and involve transactions relating to, this contract; and (2) interview any officer or employee of the Contractor or any of its subcontractors regarding the activities funded with funds appropriated or otherwise made available by the CSBG-R. Contractor shall include this provision in all of the contractor's agreements with its subcontractors from whom the contractor acquires goods or services in its execution of the CSBG-R funded work.
- g) **WHISLEBLOWER PROTECTION:** Contractor agrees that both it and its subcontractors shall comply with Section 1553 of the ARRA, which prohibits all non-federal Contractors, including the State and all contractors of the State, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract relating to CSBG-R funds; (2) a gross

waste of CSBG-R funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of CSBG-R funds; (4) an abuse of authority related to implementation or use of CSBG-R funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) awarded or issued relating to CSBG-R funds. Contractor agrees that it and its subcontractors shall post notice of the rights and remedies available to employees under Section 1553, of Title XV of Division A of the ARRA.

h) FALSE CLAIMS ACT: Contractor agrees that it shall promptly notify the State and shall refer to an appointed federal inspector general any credible evidence that a principal, employee, agent, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CSBG-R funds.

i) REPORTING REQUIREMENTS: Pursuant to Section 1512 of the Act, in order for state agencies receiving CSBG-R funds to prepare the required reports, Contractor agrees to provide upon request to the City and the awarding state agency, if applicable, with the following information on a monthly basis:

(i) The total amount of CSBG-R funds received by the Contractor during the Reporting Period;

(ii) The amount of CSBG-R funds that were expended or obligated during the Reporting Period;

(iii) A detailed list of all projects or activities for which CSBG-R funds were expended or obligated, including:

The name of the project or activity;

A description of the project or activity;

An evaluation of the completion status of the project or activity; and

An estimate of the number of jobs created and or retained by the project or activity

The location of the entity receiving the contract;

The primary location of the contract, including the city, state, congressional district and country;

The DUNS number or name and zip code for the entity headquarters; and,

The names and total compensation of the five most highly compensated officers of the company if it received: 1) 80% or more of its annual gross revenues in Federal awards; 2) \$25M or more in annual gross revenue from Federal awards and; 3) if the public does not have access to information about the compensation of senior executives through periodic reports filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 or Section 6104 of Internal Revenue Code of 1986; and, Any other information reasonably requested by the State of California or required by state or federal law or regulation.

j) ADDITIONAL PROVISIONS of the Act

(i) ADMINISTRATIVE REQUIREMENTS

For all recipients, administrative requirements of the awards will be governed by Section 1512 of the American Recovery and Reinvestment Act of 2009.

(ii) **FEDERAL POVERTY LEVEL PROVISIONS**

The ARRA Act increases the eligibility level from one-hundred twenty-five percent (125%) to two-hundred percent (200%) of the Federal poverty level for authorized services under the CSBG Act. Under this Agreement Contractors may serve customers up to two-hundred percent (200%) of the federal poverty level exclusively for the terms of this agreement and use of CSBG-R funds.

(iii) **COST SHARING OR MATCHING CONTRIBUTIONS**

In accordance with 45 CFR § 74.23, Contractor may not use funds for purposes of cost sharing or as matching contributions when such funds are paid by the Federal Government under another award.

(iv) **CENTRAL CONTRACTOR REGISTRATION (CCR)**

(a). As required under the Recovery Act, Contractor must have a Dun and Bradstreet Universal Numbering System (DUNS) number (www.dnb.com) (or update its existing DUNS record), and register with the Central Contractor Registration (CCR; www.ccr.gov) no later than July 10, 2009. (ARRA § 1512, ARRA § 1609)

(b) Contractor must maintain active and current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which it has active federal awards funded with Recovery Act funds.

k) **PROCUREMENT**

All funds under this Agreement expended through a subcontract for personal services or goods shall be fully subject to open and free competition as directed by OMB Circulars A-102 and A-110. Contractor may not rely on prior contractual relationships with a subcontractor as the sole justification of a subcontract awarded with CSBG-R funds.

l) **INFORMATION IN SUPPORT OF RECOVERY ACT REPORTING**

Contractor is responsible to maintain and may be required to submit backup documentation for all expenditures of funds under the Recovery Act including such items as timecards and invoices. Contractor shall provide copies of backup documentation at the request of the City, State or designee.

§516 COMPLIANCE WITH STATE AND FEDERAL STATUTES AND REGULATIONS

The Contractor, in performance of this Agreement, warrants and certifies that it shall comply with all applicable statutes, rules, regulations, and orders of the United States, the State of California, the County and City of Los Angeles. Contractor understands that failure to comply with any of the following assurances may result in suspension, termination or reduction of grant funds, and repayment by

Contractor to City of any unlawful expenditure. Contractor further warrants and certifies that it shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement.

A. Statutes and Regulations Applicable To All Grant Agreements

Contractor shall comply with all applicable requirements of State, Federal, County and City of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies, and any other requirements governing this Agreement. Contractor shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Contractor shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Office of Management and Budget (OMB) Circulars

Contractor shall comply with OMB Circulars, as applicable: OMB Circular A-21 (Cost Principles for Educational Institutions); OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments); OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments); Common Rule, Subpart C for public agencies or 2 CFR 215 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations); OMB Circular A-122 (Cost Principles for Non-Profit Organizations); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).

2. Single Audit Act

If Federal funds are used in the performance of this Agreement, Contractor shall adhere to the rules and regulations of the Single Audit Act, 31 USC §7501 *et seq.*; City Council action dated February 4, 1987 (C.F. No. 84-2259-S1); and any administrative regulation or field memos implementing the Act. The provisions of this paragraph survive expiration or termination of this Agreement.

3. Americans with Disabilities Act

Contractor hereby certifies that it will comply with the Americans with Disabilities Act 42, USC §12101 *et seq.*, and its implementing regulations and the Americans with Disabilities Act Amendments Act (ADAAA) Pub. L. 110-325 and all subsequent amendments. Contractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act and the Americans with Disabilities Act Amendments Act (ADAAA) Pub. L. 110-325 and all subsequent amendments. Contractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontractor entered into by the Contractor, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than One Hundred Thousand Dollars (\$100,000) in grant funds or more than One Hundred Fifty Thousand Dollars (\$150,000) in loan funds,

Contractor shall submit to the City a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC §1352. A copy of the Certificate is attached hereto as Exhibit D. No funds will be released to Contractor until the Certification is filed.

Contractor shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or that materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Contractor. Contractor shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

At any time during normal business hours and as often as the City, the U.S. Comptroller General and the Auditor General of the State of California, through any authorized representative, may deem necessary, Contractor shall make available for examination all of its records, paper or electronic, with respect to all matters covered by this Agreement. The City, the U.S. Comptroller General, and the Auditor General of the State of California, through any authorized representative, shall have the authority to audit, examine, and make excerpts or transcripts from records, including all Contractor's invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

Contractor agrees to provide any reports requested by the City regarding performance of the Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the City with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this agreement. Such records shall be retained for a period of five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The City may, at its discretion, take possession of, retain, and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the City.

7. Subcontractors and Procurement

Contractor shall comply with the federal and City standards in the award of any subcontractors. For purposes of this Agreement, subcontractors shall include but not be limited to purchase agreements, rental or lease agreements, third-party agreements, consultant service agreements and construction subcontractors.

Contractor shall ensure that the terms of this Agreement with the City are incorporated into all Subcontractor Agreements. The Contractor shall submit all Subcontractor Agreements to the City for review prior to the release of any funds to the subcontractor. The Contractor shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

8. Labor

Contractor shall comply with the Intergovernmental Personnel Act of 1970 (42 USC §4728-§4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 C.F.R. 900, Subpart F).

Contractor shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 USC. §276a to §276a-7), the Copeland Act (40 USC §276c and 18 USC §874), and the Agreement Work Hours and Safety Standards Act (40 USC. §327-§333), regarding labor standards for federally assisted construction sub agreements.

Contractor shall comply with the Federal Fair Labor Standards Act (29 USC §201) regarding wages and hours of employment.

None of the funds shall be used to promote or deter union/labor organizing activities (CA Gov't Code §16645 *et seq.*).

Contractor shall comply with the Hatch Act (5 USC §1501-§1508 and §7324-§7328).

Contractor shall comply with the provisions of Article 3, Chapter 1, Part 7, Division 2 of the Labor Code of California, the California Child Labor Laws and all other applicable statutes, ordinances, and regulations relative to employment, wages, hours of labor and industrial safety.

9. Civil Rights

Contractor shall comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:

- a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352, 42 USC §2000d, and implementing regulations) that prohibit discrimination on the basis of race, color, or national origin;
- b. Title IX of the Education Amendments of 1972, as amended (20 USC §1681- §1683, and §1685-§1686), that prohibit discrimination on the basis of sex;
- c. (c) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 USC §794, 45 CFR, Part 84), which prohibit discrimination on the basis of handicaps;
- d. The Age Discrimination Act of 1975, as amended (42 USC §6101-§6107), that prohibit discrimination on the basis of age;
- e. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
- f. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
- g. Sections 523 and 527 of the Public Health Service Act of 1912 (42 USC §290 dd-3 and §290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
- h. Title VIII of the Civil Rights Act of 1968 (42 USC §3601 *et seq.*), as amended, relating to non-discrimination in the sale, rental or financing of housing;
- i. Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made;
- j. The requirements of any other nondiscrimination statute(s) that may apply to the application;
- k. P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance;

- l. Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 USC §2000e); and
- m. The Americans with Disabilities Act (42 U.S.C. §12101 *et seq.* and the Americans with Disabilities Amendments Act (ADAAA) Pub.L. 110-325 and all subsequent amendments.

10. Relocation Requirements

- a. Contractor shall comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- b. Contractor shall comply with §104(d) of the Housing and Community Development Act of 1974 (HCD Act). When applicable, §104(d)(2)(A)(iii) of the HCD Act provides relocation assistance to lower-income persons who are displaced as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit to a use other than a lower-income dwelling in connection with an assisted project. Section 104(d)(2)(A)(i) provides that certain lower-income dwelling units that are demolished or converted to a use other than as lower-income housing be replaced "one-for-one".

11. Environmental

- a. Contractor shall comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) that provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- b. Contractor shall comply with environmental standards that may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 USC §1451 *et seq.*); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 USC §7401 *et seq.*); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523) and the California Safe Drinking Water and Toxic Enforcement Act of 1986; (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234); and (j) Section 508 of the Clean Water Act (38 USC §1360).
- c. Contractor shall comply with the Wild and Scenic Rivers Act of 1968 (16 USC §1271 *et seq.*) related to protecting components or potential components of the national wild and scenic rivers system.
- d. Contractor shall comply with the Lead-Based Paint Poisoning Prevention Act (42 USC §4822 *et seq.*) that prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

- e. Contractor shall comply with the Federal Water Pollution Control Act (33 USC §1251 *et seq.*) that restores and maintains the chemical, physical and biological integrity of the Nation's waters.
- f. Contractor shall ensure that the facilities under its ownership, lease or Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- g. By signing this Agreement, Contractor ensures that it is in compliance with the California Environmental Quality Act (CEQA), Public Resources Code §21000 *et seq.* and is not impacting the environment negatively.
- h. Contractor shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

12. Preservation

Contractor shall comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 USC §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 USC §469a-1 *et seq.*).

13. Suspension and Debarment

Contractor shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and Contractor shall submit a Certification Regarding Debarment required by Executive Orders 12459 and 12689, and any amendment thereto. Said Certification shall be submitted to the City concurrent with the execution of this Agreement and shall certify that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department head or agency. Contractor shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

14. Drug-Free Workplace

Contractor shall comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, 28 CFR Part 67; the California Drug-Free Workplace Act of 1990, CA Gov't Code §8350-§8357.

15. Animal Welfare

Contractor shall comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §2131 *et seq.*)

16. Contractor shall assure, pursuant to the Consolidated Appropriations Act of 2008 (P.L. 110-161) grant funds must not be used in contravention of the federal buildings performance and reporting requirements of Executive Order No. 13123, part 3 of title V of the National Energy Conservation Policy Act (42 USC §8251 *et seq.*) or subtitle A of Title I of the Energy Policy Act of 2005 (including the amendments made thereby), nor shall grant funds be used in contravention of section 303 of the Energy Policy Act of 1992 (42 USC §13212).

17. Contractor must comply with Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be

permitted in any portion of any indoor facility owned or leased or contracted by entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State and local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and agreements. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug and alcohol treatment.

Contractor further agrees that the above language will be included in any subagreements that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.

18. Contractor shall assure, pursuant to Public Law 103-333, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.
19. Contractor shall administer this Agreement in accordance with OMB requirements contained in the following circulars: Common Rule, Subpart C, for public agencies, or 2 CFR 215 for nonprofit organizations.
20. Contractor acknowledges that is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (Cal. Gov. Code §§12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claims.

B. Statutes and Regulations Applicable to This Particular Grant

Contractor shall comply with all applicable requirements of state and federal laws, executive orders, program and administrative requirements, policies and any other requirements governing this particular grant program. Contractor shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. The Housing and Community Development Act of 1992 (42 USC §5301 *et seq.*) as amended, 24 CFR Parts 84, 85, 500 *et seq.*
2. Pro-Children Act of 1994

Contractor must comply with Public Law 103-227, Part C--Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State and local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and agreements. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds and portions of facilities used for inpatient drug and alcohol treatment.

Contractor further agrees that the above language will be included in any subcontractors that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.

3. American-Made Equipment/Products

Contractor shall assure, pursuant to Public Law 103-333, §507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.

4. Traveling Expenses

Contractor as provided herein shall be compensated for Contractor's reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Contractor's total travel for in-State and/or out-of-State and per diem costs shall be included in the agreement budget(s). All travel including out-of-State travel not included in the budget(s) shall not be reimbursed without prior written authorization from CDD.

Contractor's administrative-related travel and per diem reimbursement costs shall be reimbursed based on the Contractor's policies and procedures. For programmatic-related travel costs, Contractor's reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, PML 97-024, §599.619, dated July 1, 1997 and §599.631, and as amended from time to time.

5. The grant agreement between the City and the State of California Department of Community Services and Development including its general terms and conditions that are hereby incorporated by reference.

6. The Community Services Block Grant Act, 42 USC §9901 *et seq.*, and 45 Code of Federal Regulation (CFR) Part 96.

7. The California Community Services Block Grant Program, Government Code §12725 *et seq.*, and Title 22, California Code of Regulations (CCR), §100601 *et seq.*,

8. Sweat-free Code of Conduct:

All contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works agreement, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment or supplies furnished to the State pursuant to the agreement have been laundered or produced in whole or in part by, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that it adheres to the Sweat-free Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov and Public Contract Code §6108. The Contractor agrees to provide records requested by the Department of Industrial Relations or City to determine compliance with the foregoing requirements.

9. State of California Nondiscrimination Clause:

During the performance of this agreement, Contractor shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (Cancer), age (over 40), marital status, pregnancy disability, and denial of family care leave. Contractor shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

Contractor shall comply with the provisions of the Fair Employment and Housing Act (Gov., Code §12900 *et seq.*) and the applicable regulations promulgated there under California Code of Regulations Title 2, §7285 *et seq.* The applicable regulations of the Fair Employment and Housing Commission implementing Gov., Code §12990 set forth in Chapter 5, Div., 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement. The Contractor shall include the non-discrimination and compliance provisions of this clause in all subcontractors to perform work under the Agreement.

- d. Contractor shall comply with the provisions of the California Child Abuse and Neglect Reporting Act, CA Penal Code § 11164 et seq. and specifically §§ 11165.7, 11165.9, 11166.

§517 FEDERAL, STATE AND LOCAL TAXES

Federal, State, and local taxes shall be the responsibility of the Contractor as an independent Contractor and not as a City employee.

§518 INVENTIONS, PATENTS, AND COPYRIGHTS

A. Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Contractor shall report the fact and disclose the Invention promptly and fully to the City. The City shall report the fact and disclose the Invention to the Grantor (U.S. Department of Labor.) Unless there is a prior agreement between the City and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, that is based on Ch. 18 of title 35 USC §200 *et seq.* (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). Contractor hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Rights to Use Inventions

City/State shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

For purpose of this Agreement when copyrightable material (Material) is developed under this Agreement, ownership of the Material shall be governed by the provisions set forth below in Sections E through J. Notwithstanding such ownership rights, the Grantor, State, City and Contractor shall each have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, access, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.

The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement. Contractor shall comply with 29 CFR 97.34

D. Rights to Data

The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 USC §401

or §402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights (48 CFR 27.404(a)).

Obligations Binding on Subcontractors Contractor shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontractors.

E. Intellectual Property Provisions for California Sub-Grants

This Agreement is funded in part with federal "pass through" funds from the State of California (State). The following requirements are applicable to this Agreement. In any Agreement funded in whole or in part by the federal government, City/State may acquire and maintain the Intellectual Property rights, title, and ownership, that result directly or indirectly from the Agreement, except as provided in 37 Code of Federal Regulations Part 401.14. However, pursuant to 29 CFR Part 97.34 the federal government shall have a royalty-free, non-exclusive, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

F. Ownership

Except where City/State has agreed in a signed writing to accept a license, City/State shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all intellectual property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or City/State and that result directly or indirectly from this Agreement.

For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, agreement and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will, any data or information maintained, collected or stored in the ordinary course of business by City/State, and all other legal rights protecting intangible proprietary information as may exist now and/or hereafter come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.

For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos, computer software and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. "Works" does not include articles submitted to peer review or reference journals or independent research projects.

In the performance of this Agreement, Contractor may exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of City's/State's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of City's/State's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of City/State. Except as otherwise set forth herein, neither the Contractor nor City/State shall give any ownership interest in or rights to its Intellectual Property to the other Party. If, during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to City/State, Contractor agrees to abide by all license and confidentiality restrictions applicable to City/State in the third-party's license agreement.

Contractor agrees to cooperate with City/State in establishing or maintaining City/State's exclusive rights in the Intellectual Property, and in assuring City's/State's sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontractors with other parties in order to perform this Agreement, Contractor shall require the terms of the agreement(s) to include all Intellectual Property provisions herein. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to City/State all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or City/State and that result directly or indirectly from this Agreement or any subcontractor.

The requirement for the Contractor to include all Intellectual Property Provisions in all agreements and subcontractors it enters into with other parties does not apply to agreements or subcontractors that are for customized and on-the-job training as authorized under 20 CFR 663.700-730.

Contractor further agrees to assist and cooperate with City/State in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce City's/State's Intellectual Property rights and interests.

G. Retained Rights/License Rights

Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or City/State and that result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to City/State, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose of Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.

Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of City/State or third party, or result in a breach or default of any provisions herein or result in a breach of any provisions of law relating to confidentiality.

H. Copyright

Contractor agrees that for purposes of copyright law, all works made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works for hire." Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to City/State to any work product made, conceived, derived from or reduced to practice by Contractor or City/State and that result directly or indirectly from this Agreement.

All materials, including, but not limited to, computer software, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or City/State and that result directly or indirectly from this Agreement may not be reproduced or disseminated without prior written permission from City/State.

I. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, that did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to City/State a license for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to City/State, without additional compensation, all its right, title and interest in and to such inventions and to assist City/State in securing United States and foreign patents with respect thereto.

J. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining City/State's prior written approval; and (ii) granting to or obtaining for City/State's, without additional compensation, a license, as described in §718F.3 above, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and City/State determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to City/State.

K. Warranties

Contractor represents and warrants that:

It has secured and will secure all rights and licenses necessary for its performance of this Agreement. Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, its modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or City/State and that result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There are currently no actual or threatened claims by any such third party based on an alleged violation of any such right by Contractor.

Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.

It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites locations, property or props that may be used or shown.

It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to City/State in this Agreement.

It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

City/State make no warranty that the intellectual property resulting from this sub-grant Agreement does not infringe upon any patent, trademark, copyright or the like, now existing or subsequently issued.

L. Intellectual Property Indemnity

Contractor shall indemnify, defend and hold harmless City/State and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products ("Indemnities") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim action, or proceeding, commenced or threatened) to which any of the Indemnities may be subject, whether or not Contractor is a party to any pending or threatened litigation, that arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of City/State's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or City/State and that result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that was issued after the effective date of this Agreement. City/State reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against City/State.

Should any Intellectual Property licensed by the Contractor to City/State under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve City/State's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to City/State. City/State shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for City/State to continue using the licensed Intellectual Property, or replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, City/State may be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

Contractor agrees that damages alone would be inadequate to compensate City/State for breach of any term of these Intellectual Property provisions herein by Contractor. Contractor acknowledges City/State would suffer irreparable harm in the event of such breach and agrees City/State shall be entitled to obtain equitable relief, including without limitation, an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

M. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

§519 LIVING WAGE ORDINANCE SERVICE CONTRACTOR WORKER RETENTION AND LIVING WAGE POLICY

- A. Unless otherwise exempt in accordance with the provisions of this Ordinance, this agreement is subject to the applicable provisions of the Living Wage Ordinance (LWO), §10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:

1. Contractor assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.
 2. Contractor further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Contractor shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor shall deliver the executed pledges from each such Subcontractor to the City within 90 (Ninety) days of the execution of the Subcontractor. Contractor's delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the Contractor to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. The Contractor, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Contractor shall post the Notice of Prohibition Against Retaliation provided by the City.
 4. Any Subcontractor entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the LWO and SCWRO language.
 5. Contractor shall comply with all rules, regulations, and policies promulgated by the designated administrative agency, that may be amended from time to time.
- B. Under the provisions of §10.36.3(c) and §10.37.5(c) of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if the City determines that the subject Contractor has violated provisions of the LWO and the SCWRO, or both.
- C. Where under the LWO §10.37.6(d), the designated administrative agency has determined (a) that the Contractor is in violation of the LWO in having failed to pay some or all of the living wage; and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the Contractor in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor, the awarding authority may deduct the amount determined to be due and owing by the Contractor to its employees. Such monies shall be placed in the holding account referred to in LWO §10.37.6(d) (3) and disposed of under procedures there described through final and binding arbitration. Whether the Contractor is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The Contractor may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

§520 EARNED INCOME TAX CREDIT

This Agreement is subject to the provisions of §10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

§521 EQUAL BENEFITS ORDINANCE

Unless otherwise exempted in accordance with the provisions of the Equal Benefits Ordinance (EBO), §10.8.2.1 of the Los Angeles Administrative Code, this Agreement is subject to the provisions of the EBO as amended from time to time.

- A. During the performance of the Agreement, the Contractor certifies and represents that the Contractor will comply with the EBO. The Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of an Agreement with the City of Los Angeles, the Contractor will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-1922."
- B. The failure of the Contractor to comply with the EBO will be deemed to be a material breach of the Agreement by the Awarding Authority.
- C. If the Contractor fails to comply with the EBO, the Awarding Authority may cancel, terminate, or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code §10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the Bureau of Contract Administration determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Agreement on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code §10.40 *et seq.*, Contractor Responsibility Ordinance.

§522 CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Agreement is subject to the provisions of the Contractor Responsibility Ordinance, §10.40 *et seq.*, of the Los Angeles Administrative Code, that requires the Contractor to update its responses to the responsibility questionnaire within 30 (Thirty) calendar days after any change to the responses previously provided if such change would affect Contractor's fitness and ability to continue performing the Agreement. In accordance with the provisions of this Ordinance, by signing this Agreement, Contractor pledges, under penalty of perjury, to comply with all applicable federal, state, and local laws in the performance of this Agreement, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws that affect employees. The Contractor further agrees to: (1) notify the awarding authority within 30 (Thirty) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the Contractor is not in compliance with all applicable federal, state, and local laws in performance of this Agreement; (2) notify the awarding authority within 30 (Thirty) calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor has violated the provisions of §10.40.3 (a) of the Ordinance; (3) ensure that its Subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and (4) ensure that its Subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within 30 (Thirty) calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the Subcontractor has violated §10.40.3 (a) of the Ordinance in performance of the Subcontract.

§523 SLAVERY DISCLOSURE ORDINANCE

This agreement may be subject to the Slavery Disclosure Ordinance in the future. If so, Contractor will be notified of the applicability by the City.

§524 CHILD SUPPORT ASSIGNMENT ORDERS

This Agreement is subject to §10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Contractor certifies that it will: (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code §5230 *et seq.*; and (4) maintain such compliance throughout the term of this Agreement. Pursuant to §10.10.b of the Los Angeles Administrative Code, failure of Contractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Contractor under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than 90 (Ninety) days after notice of such failure to Contractor by City. Any Sub-agreement entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Contractor to obtain compliance of its subcontractors shall constitute a default by the Contractor under the terms of this agreement, subjecting this Agreement to termination where such failure shall continue for more than 90 (Ninety) days after notice of such failure to Contractor by the City.

Contractor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor assures that to the best of its knowledge it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

§525 CONTRACTOR'S PERSONNEL

Contractor shall only assign personnel to this job who are qualified for this assignment by experience and/or education to perform the tasks under this Agreement. In the event anyone is replaced or terminated, Contractor shall notify the City in writing, within five (5) days after termination, and provide information regarding the replacement employees' work and educational experience and qualifications.

§526 WARRANTY AND RESPONSIBILITY OF CONTRACTOR

Contractor warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within Contractor's profession, doing the same or similar work under the same or similar circumstances.

6. GRANT REQUIREMENTS

§601 REPORTING REQUIREMENTS

- A. General Reporting: The Contractor shall furnish to the City at the times and on the forms and formats, electronically or manually, as the City may require all records, reports, data and information pertaining to matters covered by this Agreement.
- B. Program Reporting: The Contractor shall submit to the City the following program reports as identified below. Contractor shall submit to the City all required documents in accordance with all City procedures and Directives that are incorporated herein by reference.
 - 1. Monthly Fiscal Report and Closeout Report

The Contractor shall submit to the City the following reports as identified below.

- a. Expenditure Report—Due on or before the 15th day of each month, the Contractor shall submit the Expenditure Report to the City, that reflects accrued expenditures as of the previous month on forms provided by the City.
- b. Cash Request—Due on or before the 15th day of the month, a Cash Request shall be submitted on forms provided. Contractors approved for cash advances shall submit a cash request on or before the 5th day of the month but not earlier than the 25th of the preceding month. If approved for cash advance, Contractor shall submit an expenditure report for costs incurred as of the two (2) months preceding the month for that the cash is requested.

2. Closeout Report

- a. Within 20 (Twenty) calendar days following the termination of this Agreement, Contractor shall submit to the City, on forms provided by the City, a complete and accurate final closeout invoice including accruals of allowable expenditures and a remittance for all unearned grant funds as identified in the close-out. Final requests to modify Budget Summary/Expenditure/Work Plan shall be submitted to the City before final closeout. By submission of the closeout invoice, the Contractor certifies that: i) Costs reported and payments requested are valid and consistent with the terms of the Agreement; and, ii) Cash payments received from the City shall be used to pay only for expenditures reported in the final closeout invoices. Costs reported are subject to City verification.
- b. In the event Contractor does not submit a final closeout or other required documentation within the prescribed time frame, the City reserves the right to unilaterally closeout the Agreement and use the invoice then on file at City for determination of Contractor's final allowable expenditures. The City will not reimburse the Contractor for expenditures reported after the 45 (Forty-Five)-day closeout date following the termination of this Agreement. The City shall provide to the Contractor the City closeout forms at least 30 (Thirty) days before termination of the Agreement.

3. Annual Inventory Report:

Contractor shall submit an annual inventory report to the City identifying all nonexpendable property that has a City identification decal affixed to it within 30 (Thirty) days of the termination of the agreement. The City shall provide the inventory report form to the Contractor 30 (Thirty) days before the termination date of this Agreement.

4. Report on Reasonable Cost

Contractor shall report to the City costs charged to other funding sources for services that are the same type of fee-for-performance price services as those covered by this agreement. If the costs are lower, the Contractor shall submit a justification for charging the City a higher cost. The Contractor shall submit this report within 30 (Thirty) calendar days after the execution of the agreement with the other funding source(s).

§602 MAINTENANCE OF RECORDS

A. Record Retention

Records, in their original form, shall be maintained in accordance with requirements prescribed by the Grantor and the City with respect to all matters covered by this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Unaltered copies of eligibility documents are acceptable. These records shall be retained for a period of five (5) years after termination of this Agreement and after final disposition of all pending matters. Pending matters include, but are not limited to, an audit, litigation, or other actions involving records. The

City may, at its discretion, take possession of and retain the records. Before destruction of records retained under this Agreement, Contractor shall notify the City and request instructions on disposition of the records.

- B. Location of Records: Records (including, but not limited to, customer files and fiscal documents in their original form) pertaining to matters covered by this Agreement shall at all times, be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the City.

§603 CUSTOMER/APPLICANT FILES

Contractor shall complete and maintain on-site in the customer's file all documents required by the CSBG program to verify eligibility and the services provided to each participant.

§604 EQUIPMENT RECORDS

- A. Nonexpendable personal property (equipment) acquired pursuant to this Agreement shall be properly maintained and accounted for as set forth below:

A record shall be maintained for each item of equipment acquired for the program. Equipment is nonexpendable property, which is not consumed or does not lose its identity by being incorporated into another item of equipment that costs Five Thousand Dollars (\$5,000) or more per unit, or is expected to have a useful life of one year or more. Items costing below Five Thousand Dollars (\$5,000), but falling into the following categories are also considered equipment and records must be maintained for them: (1) electronic communications equipment for stationary or vehicular use, including cellular telephones acquired by lease or purchase; and (2) electronic office equipment as follows—facsimile machines, copiers, electric typewriters, personal computers (monitors and CPU's), terminals, and printers.

The record shall include: (1) description of the item of equipment, including model and serial number, if applicable; (2) date of acquisition; (3) the acquisition cost or assigned value to the program; and (4) source of acquisition.

- B. All equipment obtained under this Agreement shall have a City identification decal affixed to it. The identification decal, when practical, shall be affixed where it is readily visible.
- C. A physical inventory shall be taken by the Contractor and reconciled with the record card annually or at other times as the City shall prescribe.

§605 PURCHASE OR LEASE OF EQUIPMENT

Prior to the purchase or lease of equipment the Contractor shall receive prior City approval in writing and shall comply with all requirements described in this Agreement.

The term equipment as used in this Agreement shall be defined to mean personal property.

Contractor shall notify the City in writing before using equipment for this Agreement that was or is to be purchased or leased with public funds not provided by this Agreement. Purchase or lease payments for this equipment shall not be made from funds under the terms of this Agreement.

- A. Lease of Equipment

A copy of each executed equipment lease agreement shall be submitted to the City before payment. Written amendments to equipment lease agreement shall comply with the conditions set forth in this Agreement.

- B. Purchase of Equipment

All property, real and personal, purchased under this Agreement with funds provided in this Agreement shall become the property of the City and shall be returned to the City upon termination of this Agreement, except as provided otherwise by the City in writing. Contractor shall file all Uniform Commercial Code statements for any eligible property purchased with funds from this Agreement and deliver a copy of the filing to the City.

The property shall be used and maintained by the Contractor as follows:

1. Property shall be used solely in the performance of this Agreement.
2. No modifications shall be made to the property without the prior written approval of City.
3. The Contractor shall be liable for any and all loss, damage or destruction of property acquired under this Agreement during the period the property is under the control of the Contractor, except losses, damage or destruction resulting from reasonable wear and tear. Damage, loss, or destruction of the property shall be immediately reported to the City.

- C. Purchase of depreciable equipment including, but not limited to, computer hardware and software and vehicles require prior City written approval.

Disposition of nonexpendable personal property shall be governed by City Directives, as applicable. All private for profit contractors shall acquire prior City approval before purchasing any nonexpendable personal property.

- D. Lease of Property or Facilities

All lease agreements shall incorporate the following provisions. Contractor shall amend any current lease agreements to incorporate the following provisions:

1. All leases of property or facilities procured to house a City Program under this Agreement must contain a provision that allows the City, at its sole option, to assume the lease for its remaining term, under the same terms and conditions then in effect, in the event that the City terminates its Contractor's City Agreement or if Contractor abandons the lease.
2. All leases of property or facilities procured to house a City Program under this Agreement must contain a provision that provides that any improvements made to the facility or property by Contractor inures to the benefit of the City, and the City may elect, at its sole option, to remove the improvements.
3. It is recommended that the Contractor, during lease negotiations, request the addition of a section to the lease agreement, whereby the Lessor agrees that if Lessee's grant funding for any calendar year decreases by Five Hundred Thousand Dollars (\$500,000) or more from the previous calendar year, Lessee may terminate the lease with 120 (One Hundred Twenty) days written notice.

A copy of all leases and lease amendments must be reviewed and approved by the City prior to signature and be on file with the City prior to the release of cash.

Contractor shall not sublease, assign, or amend in any manner leases paid for with funds under this Agreement without prior written City approval.

Contractor shall invoice for only that portion of the lease cost that is allocated to the program funded by this Agreement. The Contractor is responsible for collecting any portion of the rent due to Contractor under sublease agreements with partners or other entities.

§606 ACCOUNTING PRACTICES

- A. The Contractor shall maintain a system of internal control in accordance with standard accounting practices.
1. In accordance with generally accepted accounting principles and City Directives, financial systems shall include:
 - a. Information pertaining to sub-grant and agreement awards, obligations, unobligated balances, assets, expenditures, and income;
 - b. Effective internal controls to safeguard assets and assure their proper use;
 - c. A comparison of actual expenditures with budgeted amounts for each subgrant and contract;
 - d. Source documentation to support accounting records;
 - e. Proper charging of costs and cost allocation; and be sufficient to:
 - 1) Permit preparation of required reports;
 - 2) Permit the tracing of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions on the use of the funds.
 - f. "Internal Control" for purpose of this Agreement, comprises the plan or organization and all of the coordinated methods and measures adopted within an organization to safeguard its assets, check the adequacy and the reliability of its accounting data, promote operating efficiency, and assure adherence to prescribed management policies.
 2. The Contractor shall submit its system of accounting procedures and Internal Control to the City before the City disburses any funds to the Contractor.

§607 DOCUMENTATION OF EXPENDITURES

- A. Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders, or other accounting documents shall be clearly identified and readily accessible.
- B. Payroll expenditures shall be supported by activity reports that may include case reports, mileage logs, attendance rosters and other documents supporting work related to City agreement or program.
- C. No Contractor shall release funds to any subcontractor for reimbursement of costs, until it has received adequate documentation from the subcontractor that the expenditures are reasonable and allowable under the Sub-agreement. All documentation must remain on file at Contractor's office.

§608 AUDITS AND INSPECTIONS

- A. At any time during normal business hours and as often as the Grantor, the U.S. Comptroller General, the U.S. Department of Health and Human Services, the Auditor General of the State of California, and the Department of Community Services and Development or their designees or the City may deem necessary, the Contractor shall make available for examination, all of its records with respect to all matters covered by this Agreement. The City, the U.S. Comptroller General, the U. S. Department Health and Human Services, and the Auditor General of the State of California and the Department of Community Services and Development or their designees, shall have the authority to audit, examine and make excerpts, or transcripts from records,

including all Contractor's invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

- B. Access by the City, the State of California, the Department of Health and Human Services, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records (including computer records) of the Contractor that are directly pertinent to charges to the program, shall not be denied in order to conduct audits and examinations, and make excerpts, transcripts, and photocopies. This right also includes timely and reasonable access to Contractor's and Subcontractor's personnel for the purpose of interviews and discussions related to such documents.
- C. Contractor agrees to provide any reports requested by the City regarding performance of the Agreement. Contractor shall adhere to the rules and regulations of the Single Audit Act PL 98-502 and the implementing OMB Circulars, and any administrative regulation or field memos implementing the Act.
- D. When total expenditures under all Federal programs in a fiscal year equal or exceed Five Hundred Thousand Dollars (\$500,000), the Contractor shall conduct or have conducted on an annual basis, audits in accordance with the Single Audit Act of 1984, PL 98-502, implementing regulations in OMB Circulars A-133 as applicable, (City Council action dated February 4, 1987, C.F. No. 84-2259-S1) and administrative regulations or field memos implementing revisions or updates to the audit requirements. The auditor's reports, prepared in accordance with the aforementioned requirements, and any accompanying management reports on the operation of the Contractor or this Agreement, shall be submitted to the City within nine (9) months after the close of the Contractor's fiscal year.
 - 1. Contractors who meet the above threshold shall annually subcontract with a qualified independent auditor.
 - 2. The audit is to be conducted annually to test the fiscal integrity of financial transactions as well as compliance with the applicable laws and regulations.
 - 3. The Contractor, not later than 30 (Thirty) days following receipt of the final audit report and within nine (9) months after the close of Contractor's fiscal year, shall submit a copy of the report to the Financial Management Division of the City's Community Development Department.
 - 4. If the auditor's report or management report identifies deficiencies with internal controls or contract compliance, the Contractor shall prepare and submit a corrective action plan along with the auditor's reports. The plan shall address all deficiencies and provide specific details on corrective actions to be taken along with the date the action was or will be implemented.
 - 5. If the expenditures under all Federal programs are less than Five Hundred Thousand Dollars (\$500,000), Contractor shall permit the City to conduct a performance review of this Agreement and all related records in accordance with Directives received from the City.
- E. In the event that the Contractor is operating on a for-profit basis, the Contractor shall conduct a program-specific annual independent financial and compliance audit in accordance with generally accepted government auditing standards, or an organization-wide audit that includes coverage of the City program within its scope.
- F. The City reserves the right to impose any or all of the following sanctions for Contractor's failure to comply with the Single Audit Act and the provisions of this Agreement:
 - 1. Withhold a percentage of payments, at the City's sole discretion, until the audit is completed satisfactorily and submitted to the Department;

2. Suspend payments due to Contractor until the audit is completed satisfactorily and submitted to the City; and/or Impose the Default, Probation, Suspension and Termination provisions of this Agreement as set forth herein.
- G. City, Auditor General of the State of California, Grantor, Director of the Office of Civil Rights, and the U.S. Comptroller General shall have the authority to audit, examine, and make excerpts or transcripts from records, including agreements, invoices, customer records and other records supporting this Agreement. Audits of earned funds are limited to determining if such funds were earned in accordance with this Agreement.
1. City may require Contractor who has inadequate fiscal or administrative procedures, to use any or all of the City's accounting or administrative procedures used in the planning, controlling, monitoring, and reporting of fiscal matters relating to this Agreement; or secure at Contractor's expense the service of independent experts.
 2. City shall have the authority to make physical inspections and to require such physical safeguarding devices as locks, alarms, safes, fire extinguishers, sprinkler systems, etc., to safeguard property, records and/or equipment used in the performance of this Agreement.
 3. Should a fiscal or special audit determine that the Contractor has earned funds that are questioned under the criteria set forth herein, the Contractor shall be notified and given the opportunity to justify questioned expenditures prior to the City's final determination of disallowed costs, in accordance with the procedures established under the Grant.

§609 CONFIDENTIALITY OF INFORMATION

- A. The Grantor, the City, and the Contractor will exchange various kinds of information pursuant to this Agreement. That information will include data, applications, program files and databases. These data and information are confidential when they define an individual or an employing unit. Confidential information requires special precautions to protect it from unauthorized use, access, disclosure, modification, and destruction. The sources of information may include, but are not limited to, the Employment Development Department, the California Department of Social Services, the California Department of Education, the County Welfare Department(s), the County IV-D Directors Office of Child Support, the Office of the District Attorney, the California Department of Mental Health, the California Office of Community Colleges, and the Department of Alcohol and Drug Programs.
- B. The City and the Contractor agree that:
1. Each party shall keep all information that is exchanged between them in the strictest confidence and make such information available to their own employees only on a "need-to-know" basis.
 2. Each party shall provide written instructions to all of its employees with access to information provided by the other party of the confidential nature of the information and of the penalties for unauthorized use or disclosure found in §1798.55 of the Civil Code, §502 of the Penal Code, §2111 of the Unemployment Insurance Code, §10850 of the Welfare and Institutions Code and other applicable local, State and Federal laws.
 3. Each party shall (where appropriate) store and process information in an electronic format, in such a way that unauthorized persons cannot reasonably retrieve the information by computer, remote terminal, or other means.
 4. Each party shall promptly return to the other party confidential information when its use ends or destroy the confidential information utilizing an approved method of destroying confidential information by shredding, burning, or certified, or witnessed destruction. Magnetic media are to be degaussed or returned to the other party.

5. If the City or Contractor enters into an agreement with a third party to provide services, the City or Contractor agrees to include these data and security and confidentiality requirements in the agreement with that third party. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractor(s), service providers, or employees.
6. Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and, each party shall notify the other of any changes in that designation. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractor(s), service providers, or employees.

§610 SECURITY CLEARANCE AND TUBERCULOSIS TEST OF STAFF AND VOLUNTEERS

- A. Contractor hereby certifies that by signing this Agreement, Contractor and Subcontractor staff working with youth, either as employees or volunteers, who have a supervisory or disciplinary authority over minors must be fingerprinted and pass the background check, as required by California Penal Code §11105.3 and California Education Code §45125.1 and §10911.5. Fingerprinting and a background check may be required of other staff and volunteers depending upon how much contact the staff member will have with minors. The Contractor shall be responsible for obtaining security clearances for staff whose duties require a sufficient level of interaction with youth.
- B. Contractor hereby certifies that by signing this Agreement, Contractor shall have Tuberculosis (TB) tests completed on any staff member working with the youth.
- C. Contractor shall maintain proof of Security Clearance and TB tests of all staff, including those of the Subcontractors, and make these records available for future inspection.

§611 RESTRICTION ON DISCLOSURES

Prior to the release of any reports, analyses, studies, information, or data generated as a result of this Agreement Contractor shall notify the City of the request to release the information. Release of information shall be coordinated by the Contractor and the City and shall be in compliance with State and Federal law.

§612 HEADINGS AND CAPTIONS

This Agreement's section headings shall not be deemed to govern, limit, modify, or in any way affect the scope, meaning, or intent of these conditions. Unless defined as a "working day," all reference to days is to calendar days.

§613 MANAGEMENT INFORMATION SYSTEM RECORDS AND REPORTS

- A. The Contractor shall report to the City numeric data, statistics, facts, news, details and information for its City-funded project(s) using forms and formats such as the electronic Integrated Services Information System (ISIS) prescribed by the City for this purpose.
- B. The City shall rely upon and use records and monthly invoices located at the City, and on-site verifications, as needed, to substantiate Contractor's performance and expenditure data, including but not limited to enrollment, training services, placement activities, wages, business/job creation, and post-program services status.
- C. The City may contact Contractor staff, participants, subcontractors, training institutions or schools to verify the documentation supporting performance and compliance with this Agreement.
- D. SYSTEM SECURITY REQUIREMENTS

Contractor shall, in cooperation with the City and the State, institute measures, procedures, and protocols designed to ensure the security of data and to protect information in accordance with California State Administrative Manual (SAM) Section 5310, Item 4, and such other State and Federal laws and regulations as may apply. The parties hereto agree to the following requirements, obligations, and standards:

1. General Information/Data Description

The interconnection between the City and Contractor is a two-way data exchange. The purpose of the data exchange, or direct input is to deliver application records for payment processing or contract activity reimbursement.

2. Services Offered

Data exchange between the City and Contractor shall be handled through two methods: 1) a Contractor user must authenticate to upload data files in a secure socket layer connection; or 2) a secure user interface that is only available to Contractor users with a unique software authentication to see the login window and also secure tunnel between City and the Contractor user.

3. Data Sensitivity

- a. The sensitivity of data exchanged between the City and Contractor may vary from sensitive to personal or confidential because of personal data such as social security numbers to private data, e.g., family income level, family member name, etc. No personal financial information, i.e., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
- b. Appropriate levels of confidentiality for the data shall be based on established data classification (see SAM Section 5320.5).

4. Information Exchange Security

- a. The security of the information being passed on this primary two-way connection shall be protected through the use of encryption software. The connections at each end shall be secured plus the physical location the application systems shall be within a controlled access facilities. Individual users may not have access to the data except through their systems security software that is logged in detail or controlled. All access will be controlled by authentication methods to validate the approved users.
- b. Standards for secure transmission may be accomplished through such means as certificates, secure socket layer, etc., and storage of the data with encryption, if applicable.
- c. Both the City and Contractor shall maintain security patches and anti-virus software updates.

5. Trusted Behavior Expectations

The City's application system and users shall protect Contractor's application system/data, and the Contractor's application system and users shall protect the City's application system/data, in accordance with the Privacy Act and Trade Secrets Act (18 U.S. Code 1905) and the Unauthorized Access Act (18 U.S. Code 2701 and 2710).

6. Formal Security Guidelines

The City's Computer Security Policy and Contractor's policy and procedures for internal controls shall conform to the standards and obligations for the protection of data established herein and shall ensure their implementation.

7. Incident Reporting

Any party discovering a security incident shall report it in accordance with its incident reporting procedures. Contractor shall within 24 hours of discovery report to the City any security incident contemplated herein. Policy governing the reporting of Security Incidents is detailed in section D2—L of the SAM Management Memorandum entitled, "Safeguarding Against and Responding to a Breach of Security Involving Personal Information."

8. Audit Trail Responsibilities

Both parties are responsible for auditing application processes and user activities involving the interconnection. Activities that will be recorded include event type, date and time of event, user identification, workstation, success or failure of access attempts, and security actions taken by system administrators.

9. Data Sharing Responsibilities

All primary and delegated secondary organization that share, exchange, or use personal, sensitive, or confidential data shall adhere to all of the City and State policies and SAM guidelines. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by both parties.

§614 INSTALLATION OF FINANCIAL ASSISTANCE SIGN

The Contractor shall install, or allow to be installed, for public display upon the project premises a sign, identifying the Contractor as receiving financial assistance from the City and the Grantor.

§615 PRESS RELEASES-PUBLIC INFORMATION

The Contractor shall make specific reference to the City of Los Angeles as the sponsoring agency and that the Contractor is an Equal Opportunity/Affirmative Action Employer in all communications with the press, television, radio or any other means of communicating with the general community. The Contractor shall make specific reference to the City of Los Angeles as the sponsoring agency of the project, regarding any items that are related to the program that is funded by this Agreement. Contractor shall also coordinate press releases with the media/public relations project for maximum impact.

§616 NOTICE TO CITY OF LABOR DISPUTES

When Contractor has knowledge that any actual or potential labor dispute involving participants or other employees is delaying or threatens to delay the timely performance of this Agreement the Contractor shall immediately give notice thereof, including all pertinent information, with regard to same to City. No funds in this Agreement shall be used to promote or deter union organizing.

§617 LISTING OF CONTRACTOR'S EMPLOYMENT OPPORTUNITIES WITH EDD

Contractor shall list all Contractor's job openings with the local Employment Development Department Office when such job openings are funded, in full or in part, through monies provided by this Agreement.

§618 TECHNICAL ASSISTANCE

Should Contractor need technical assistance from the City regarding matters that are the subject of this Agreement, Contractor shall submit a written request to the City identifying the nature of the problem, the action Contractor has taken to resolve the problem, and the type of assistance needed.

§619 EFFECT OF LEGAL JUDGMENT

Should any covenant, condition or provision contained in this Agreement be held to be invalid by final judgment in any court of competent jurisdiction, the invalidity of the covenant, condition or provision shall not affect any other covenant, condition or provision in this Agreement.

§620 PROHIBITION OF LEGAL PROCEEDINGS

Contractor is prohibited from using Grant funds received under this Agreement for the purpose of instituting legal proceeding against the City or their official representatives.

§621 ADMINISTRATIVE HEARING FOR DENIAL OF CUSTOMER BENEFITS BY CONTRACTOR

- A. Contractor has read and agrees to strictly comply with Title 22 of the California Code of Regulations, §100751, as amended, that sets forth elements to be included in customer benefit denial appeal procedures and shall advise individuals who have been denied assistance of their 20 (Twenty)-day right to appeal to the State for an administrative hearing pursuant to 42 USC 8624(b) (13), as amended.
- B. The customer may withdraw request for appeal for administrative hearing at any time during the appeal process by rendering written or oral notice to the State. Where oral notice is given, such notice shall be confirmed in writing by the parties.

§622 FAITH-BASED ACTIVITIES

Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the grant funded program. However, a Contractor that participates in a grant-funded program shall comply with the following provisions if it is deemed to be a religious or faith-based organization.

- A. Contractor may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this Contract. If Contractor conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this Agreement, and participation must be voluntary for the beneficiaries of the grant-funded programs or services.
- B. A religious or faith-based Contractor will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct grant funds to support any inherently religious activities, such as worship, religious instruction, or proselytization.
- C. A religious or faith-based Contractor may use space in their facilities to provide grant-funded services, without removing religious art, icons, scriptures, or other religious symbols.
- D. A religious or faith-based Contractor retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- E. A religious or faith-based Contractor shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
- F. Grant funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.
 - 1. Grant funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under

this Section. Where a structure is used for both eligible and inherently religious activities, Grant funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to Grant funds herein. Sanctuaries, chapels, or other rooms that a Grant funded religious congregation uses as its principal place of worship, however, are ineligible for Grant funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property dispositions.

7. SUB-AGREEMENT AND PROCUREMENT PROCEDURES

§701 SUB-AGREEMENTS

- A. For the purpose of this Agreement, Sub-agreements shall include, but not be limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, consultant services Sub-agreements, and construction Sub-agreements.
- B. Sub-agreements entered into in the performance of this Agreement shall:
 - 1. Be subject to the terms and conditions set forth in of this Agreement. City may require incorporation of the applicable provisions in a written agreement;
 - 2. Specifically prohibit assignment or transfer of interest without prior written approval by the City;
 - 3. Contractor must specifically provide proof, when applicable, of the appropriate permits and/or business licenses.
- C. A copy of each executed sub-agreement, or amendment(s) thereto, shall be submitted to the City prior to payment.

§702 PROCUREMENT PROCEDURES

It is the policy of the City of Los Angeles (City) to encourage fair and open competition in its procurement for goods and services. The requirements for a fair and open competition include the development of written procurement policies that include, but are not limited to, all of the following subsections. It is the City's intent that the following rules be binding upon the City and its Subcontractors. Several of the provisions herein include City mandated rules and procedures in addition to the other grant requirements. Such policies are applicable to subcontractors to the extent permitted by law.

- A. Purpose. It is the intent of these rules that these procedures shall apply to all Subcontractors including, but not limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, and consultant services Sub-agreements. All contractors are required to prepare written procurement procedures. All written procedures and policies for procurement activities are to be available for public inspection.
- B. Competition. The City and each of its contractors shall conduct procurement in a manner that provides full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:
 - 1. Placing unreasonable requirements on firms or organizations in order for them to qualify to do business;
 - 2. Requiring unnecessary experience and excessive bonding;
 - 3. Noncompetitive pricing practices between firms or organizations or between affiliated companies or organizations;

4. Noncompetitive awards to consultants that are on retainer agreements;
 5. Organizational conflicts of interest;
 6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement;
 7. Overly restrictive specifications; and
 8. Any arbitrary action in the procurement process.
- C. Requests for Proposals (RFPs) may allow a bidder to identify in its bid the subcontractors it intends to use for the project. Subcontractors so identified may be included in the award of Agreement without the need for any additional bid process.
- D. Responsibilities.
1. The following procedures shall apply to all procurement under this Agreement in order to ensure that all solicitations:
 - a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurement, contain features that unduly restrict competition; and
 - b. Identify all requirements that the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
 2. Issue a Public Notification. The notification must be made through an announcement in a local public medium (e.g., newspaper) or other media that covers the entire service area.
 3. All steps of each procurement must be documented, including a description of the documentation process, and where the documentation will be located.
 4. Contractor shall provide a copy of the RFP/RFQ to anyone who requests it. Contractor shall compile a list of everyone requesting a copy of the RFP/RFQ.
 5. The Contractor shall ensure that all pre-qualified lists of persons, firms, or other organizations that are used to acquire goods and services are current and include sufficient numbers of qualified sources to ensure maximum open and free competition. The agencies listed on the bidder's list may be individually notified.
 6. The Contractor shall not use funds provided under this Agreement to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless it is demonstrated that the Agreement-funded alternative services or facilities would be more effective or more likely to achieve performance goals.
 7. The Contractor shall maintain records that are sufficient to detail the significant history of a procurement procedure in compliance with 29 CFR 97.36. These records shall include, but are not limited to, the following: rationale for the method of procurement, the selection of Agreement type, contractor selection or rejection, rationale and reasonable rating criteria, and the basis for the Agreement type. Records regarding the history of a procurement procedure shall comply with 29 CFR 7.36.
 8. The Contractor shall keep records sufficient to insure that funds have not been spent unlawfully.
 9. The Contractor shall retain all records pertinent to any procurement agreement within the County of Los Angeles for a period of five years following termination of the Agreement

and after final disposition of all pending matters. "Pending Matters" include, but are not limited to, an audit, litigation, or other activities involving records. Prior to destruction of records retained under this Agreement, the Contractor shall notify the City and request instructions on disposition of said records.

10. The Contractor shall not contract with any party that is debarred, suspended, or otherwise excluded from participation in Federal assistance programs. All agreements shall include a self-certification from the contractor that it is not a debarred party.

The Federal government prohibits awards to any party that is debarred. The Federal government compiles a list of debarred parties. The federal list is published by the General Services Administration; a copy may be obtained by telephoning the Superintendent of Documents (202/512-1600). The list will be issued as an information Bulletin in May of each year. It is the Contractor's responsibility to ensure that funds are not awarded to entities on the debarment lists.

11. Procurement shall be conducted at least once every three years.
12. Procurement activities must be conducted in a confidential manner. Staff involved in procurement must not divulge advance purchasing information, specific proposal/offer evaluation criteria, negotiations with bidders, or in-house discussions regarding a procurement until such time as this information is released to all parties.
13. Contractor shall receive and log in proposals and establish a method for recording the date and time of arrival of proposals using either a log-in sheet or a date/time stamp. Contractor shall establish a single location for receipt of proposals. Contractor shall ensure that only proposals received by the deadline specified in the RFP/RFQ qualify for the evaluation process unless there is a valid legal reason for otherwise considering a late proposal.
14. Contractor shall establish proposal evaluation procedures that shall include, but not be limited to, the following:
 - a. Clear staff responsibilities: A procurement specialist shall be designated for each bid/proposal process. It shall be the responsibility of the specialist to ensure compliance with these procurement rules.
 - b. Develop a standard worksheet or checklist for determining responsiveness of each proposal.
 - c. Establish and use evaluation criteria and a standard evaluation worksheet to be used in recording the evaluations of each proposal.
 - d. Prepare an analysis of costs to verify allowability and to determine reasonableness.
 - e. Identify staff responsibilities for completing proposal evaluation and for summarizing evaluation results.
 - f. Develop a description of methods for ensuring independence of ratings by those involved in the evaluation process (i.e., prohibit discussion among staff, sequestered evaluators).
 - g. Identify policy and process by which selection of awardee (s) will be made.
 - h. Provide an opportunity for bidders to appeal staff recommendations.

Items a-c should be sufficiently completed before issuance of the RFP so relevant parts can be included.

15. Contractor shall identify complete and timely proposals. Contractor shall review the technical merits of these proposals based on the rating criteria contained in the RFP/RFQ. Contractor shall review the cost proposals based on applicable cost principles and the technical proposal. For participant service RFPs/RFQs, demonstrated performance and ability must be documented and should include independently verified information and data.

Contractor shall determine which proposals are in the competitive range for technical response and based on the cost and price analysis conducted prior to the RFP/RFQ are within the cost and price criteria.

Contractor shall negotiate with organization(s) in the competitive range. Contractor shall establish policies and procedures governing face-to-face negotiations. Contractor shall include in the criteria that all responsive offerors in the competitive range are given fair and equal consideration based on the merits of their proposals. Contractor shall document these negotiations in writing.

Contractor shall determine for participant service RFPs the demonstrated performance and ability of the highest rated offeror(s). This determination must be documented and should include independently verified information and data.

16. Private for-profit entities must obtain prior written approval from the City for purchases of personal property (other than supplies) using Agreement funds.
17. Contractor shall conduct and document oversight to ensure compliance with these procurement procedures.
18. City may procure goods and services from other governmental entities in accordance with Agreement procurement regulations. Agreements may not charge higher prices than that available to the general public. All such Agreements are subject to cost reasonableness requirements.
 - a. In-school youth programs may be sole sourced to public and nonprofit private secondary schools.
 - b. City may use as the basis for selecting a provider a procurement process from another government in its market area upon review of the procurement process and City determination that such process complies with this Agreement and local law.
 - c. City may use the Central City Purchasing agent in order to procure office supplies, basic equipment, and other similar goods.
 - d. The City may authorize its Contractor to use a vendor subcontractor who has been already selected through the City's procurement process without requiring an additional procurement process.
19. If the State of California or the City of Los Angeles has established a debt against an Agreement service provider that has not been repaid or a repayment agreement plan has not been implemented, then the service provider shall be barred from receiving any future grant funds.
20. The City will use the definition of a private postsecondary education institute as defined in the California Education Code §94302(w) as any person doing business in California that offers to provide or provides, for a tuition, fee, or other charge, any instruction, training, or education primarily to people who completed or terminated their secondary education or are beyond the age of compulsory high school attendance. Information Bulletin B95-83 provides further guidance regarding post secondary education.

21. Participation of Minorities, Women and other Businesses

To the fullest extent possible in the administration of this Agreement, Contractor agrees to provide opportunities for minorities, women, and all other businesses to participate in procurement under this Agreement.

E. Cost or Price Analysis.

1. Contractor shall establish standards for the performance of cost or price analysis.
2. Contractor shall perform a cost or price analysis in connection with every procurement action, including agreement modifications to determine that the expenditure is reasonable. The method and degree of analysis depends on the facts surrounding the particular procurement and pricing situation, but at a minimum, the Contractor shall make independent estimates before receiving bids or proposals.
 - a. A cost analysis is necessary when the offeror is required to submit the elements of the estimated cost, when adequate price competition is lacking, and for sole source procurement, including agreement modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. As part of its bid, the offeror shall certify that to the best of its knowledge and belief, the cost data are accurate, complete, and current at the time of agreement on price.
 - b. Agreements or modifications negotiated in reliance on such data should provide the awarding agency a right to a price adjustment to exclude any significant sum by which the price was increased because the contractor had submitted data that were not accurate, complete, or current as certified.
 - c. Any indirect costs in a proposal must be carefully reviewed to ensure that the costs are not duplicated by direct costs. Indirect costs must be allocated in accordance with an approved cost allocation plan.
 - d. If a bidder proposes to use a subcontractor as part of its proposal, all costs in the proposed subcontract must also be evaluated in the same manner as for the primary proposal.
 - e. Cost analysis must carefully evaluate salaries of owners of sole proprietorships or partnerships who submit offers to ensure that they are in line with the services to be performed.
3. A price analysis shall be used in all other instances to determine the reasonableness of the proposed agreement price. The following price analysis techniques shall be used: i) comparison of proposed prices received; ii) comparison of prior prices received and current agreement proposed prices for the same or similar requirement; iii) application of rough yardsticks (e.g., dollars per square foot, dollars per placement); iv) comparison with competitive published price lists and published market prices, and v) comparison with agency's independently developed cost estimates.

The following cost analysis steps shall be used: 1) verify cost or pricing data and evaluate cost elements; 2) evaluate the effect of the offeror's current practices on future costs; 3) compare proposed costs for individual cost elements; 4) verify that offeror's cost submissions are in accordance with cost principles (allowable/allocable), and 5) review to determine that all necessary cost or pricing data have been submitted.
4. Agreement procurement shall not permit excess program income (for nonprofit and governmental entities) or excess profit (for private for-profit entities). If profit or program

income is included in the price, the City or the Contractor shall negotiate profit or program income as a separate element of the price for each Agreement/Sub-agreement in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit or program income, consideration shall be given to:

- a. The complexity of the work to be performed;
 - b. The risk borne by the contractor;
 - c. The Contractor's investment;
 - d. The amount of subcontracting;
 - e. The quality of the Contractor's record of past performance;
 - f. Industry profit rates in the surrounding geographical area for similar work; and
 - g. Market conditions in the surrounding geographical area.
5. The cost, plus a percentage of cost method of contracting shall not be used.
 6. All Contractors must comply with 24 CFR §85.25 income regulations and City agreement provisions regarding program income.
 7. All goods and services procured pursuant to the Agreement must be in compliance with the allowable cost provisions in applicable OMB circulars federal regulations, and any State or Federal directives on allowable costs.

F. Awarding of Agreement/Contract

1. Prior to an award of an Agreement, the City/Contractor shall make a determination that the Contractor/Sub-contractor has demonstrated effectiveness in providing RFP documented services. Agreements/Contract shall be made only with responsible Contractors/Subcontractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. The selected proposer must be a responsive entity that has submitted a proposal or bid that meets all requirements of the solicitation adequately, that includes responding to the Request for Proposal (RFP)/ Request for Qualification (RFQ) within the required time frames, and completing all forms and documents. A responsible entity is one that has been determined to: 1) have a satisfactory record of integrity and business ethics; 2) have a satisfactory performance record; 3) have adequate financial resources to perform the Agreement or the ability to obtain such resources; 4) be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and business commitments; 5) have the needed organization, experience, accounting, operational control and technical skills or ability to obtain them; 6) have adequate production, construction or technical equipment and needed facilities or the ability to obtain them; 7) be able to meet the program design specifications; 8) be able to meet performance goals that includes a showing of demonstrated effectiveness in providing employment and training services; 9) be able to provide services that can lead to the achievement of competency standards for participants; and 10) be both qualified and eligible to receive the award under applicable law and regulation. Contractor/sub-contractor shall make the award(s) and finalize the Agreement(s). Contractor/sub-contractor shall follow established procedures for formal notification of offerors of the results of the evaluations and selection process.
2. The City/Contractor and its Contractors/sub-contractors shall make positive efforts to utilize small business and minority-owned business as sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for agreements to be performed utilizing Federal grant funds. If applicable, Contractor/Sub-

contractor certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000.

3. Where such advertised bids are obtained, the awards shall be made to the responsible bidder whose bid is responsive to the invitation and is most advantageous to the grantee, price and other factors considered. Factors such as discounts, transportation costs, and taxes may be considered in determining the lowest bid. No points shall be given for status as a sub-contractor or a contractor with an approved childcare policy within existing delivery systems. However, if a bid results in a tie score, preference may be given to the Contractor or a subcontractor with an approved childcare policy.
4. Any or all bids may be rejected when it is in the City/Contractor's interest to do so, and such rejections are in accordance with applicable State and local law, rules, and regulations.

G. Funding Restrictions for High Risk Agreements.

1. A Contractor may be considered "high-risk" if an awarding agency determines that the Contractor is otherwise responsible but:
 - a. Has a history of unsatisfactory performance;
 - b. Is not financially stable;
 - c. Has a management system that does not meet the management standards set forth in this part; or
 - d. Has not conformed to terms and conditions of a previously awarded grant or sub-grant.
2. If the City/Contractor agency determines that a grant or sub-grant will be made to a "high-risk" Contractor or subcontractor, then special funding restrictions that address the "high-risk" status may be included in the Agreement or Sub-agreement. Funding restrictions may include but are not limited to:
 - a. Use of reimbursements rather than advances or payment upon completion of the project;
 - b. Requiring additional and/or more detailed financial or performance reports;
 - c. Additional monitoring;
 - d. Requiring the Contractor or subcontractor to obtain specific technical or management assistance; and/or
 - e. Establishing additional prior approvals (e.g. requiring awarding agency approval prior to hiring/firing, award of small purchase agreements).
3. If the City/Contractor decides to impose such funding restrictions, the awarding official will notify the Contractor or subcontractor as early as possible, in writing, of:
 - a. The nature of the funding restrictions;
 - b. The reason(s) for imposing them;
 - c. The corrective actions that must be taken before they will be removed and the time allowed for completing the corrective actions;
 - d. The method of requesting reconsideration of the restrictions imposed, and

e. Additional prior approvals.

H. City Code of Conduct

The Contractor shall adopt a Code of Conduct in accordance with the requirements of §513 by duly authorized action of its Board of Directors. The Code shall be submitted to the City for approval prior to execution of this Agreement.

1. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial, or otherwise, direct or indirect, of the Contractor of any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
2. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee, or agent of the Subcontractor; or where the selection of Subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
 - a. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
 - b. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
 - c. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 *et seq.* if such were a public officer because such person would have a "financial or other interest" in the subcontract.
3. Definitions:
 - a. The term "immediate family" includes, but is not limited to, domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law.
 - b. The term "financial or other interest" includes, but is not limited to:
 - i) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - ii) Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five (5) percent or more of the stock; employment in a managerial capacity; or membership on the Board of Directors or governing body.
 - c. A Subcontract is any agreement entered into by a Contractor for the purchase of goods or services with any funds provided by this Agreement.
4. Minutes of Board Meetings must reflect disclosure of transactions that Board Members may have had a direct or indirect interest/benefit in the action.
5. No director, officer, employee (or agent) of the Contractor may be on the Board of Directors if they receive any financial benefit provided by any City Agreement.

6. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub-agreement (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
7. The Contractor shall not subcontract with a former director, officer, or employee within a one (1)-year period following the termination of the relationship between said person and the Contractor.
8. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
9. The Contractor warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.
10. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member, or officer, or for one (1) year thereafter.
11. The Contractor shall incorporate the foregoing subsections of this Section into every Agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".
12. The Contractor warrants that it has adopted and shall comply with the Code of Conduct, as approved by the City that meets the foregoing requirements.

I. Methods of Procurement

Contractor shall use one of the following methods of procurement either by bid or proposal, as appropriate for each procurement action, for entering into agreements with Subcontractors. Contractors shall conduct procurement in a manner that provides full and open competition. Contractor shall perform a cost or price analysis in connection with every procurement action, including agreement modifications to determine that the expenditure is reasonable. When any purchase is made, it can only be for an allowable cost. Invitations for bids shall clearly set forth all requirements that the bidder must fulfill in order for his bid to be evaluated by the grantee. Grievance process procedures shall be included in each of the following methods of advertised procurement. Specific requirements and procedures are set forth in 24 CFR §84.44, Los Angeles City Charter §370 through §372, 2 CFR 215, and OMB Circular A110, incorporated herein by reference.

Prior to entering into any Sub-agreement that has a value of One Thousand Dollars (\$1,000) or more, the Contractor shall submit to the City evidence that it has received a minimum bid(s) for such Sub-agreements and documentation that justifies the selection of the successful bidder. The Contractor shall maintain records showing the parties solicited and the bids submitted.

1. **Small Purchase Procedures.** Small purchases are made from vendors for goods or services under One Hundred Thousand Dollars (\$100,000). Following the procedures for small purchase will constitute justification of the procurement method chosen. The bid must indicate the quantity, time frame and all other requirements of the product or service sought. Bids must be solicited from vendors that can reasonably be expected to provide the goods or services needed.

The requirements are:

Dollar Range of Purchase	Contacts and Method
\$1 to \$10,000	1 bid

Bid may be obtained by telephone but must be documented in writing in the file

\$10,001 to \$100,000

3 written bids

Three (3) bids must be received by Contractor. The bids must be documented in writing in the file. The bid must either be provided in writing to the vendors or transmitted as uniformly as possible over the telephone. To be considered, the response must be signed and dated by the vendor.

2. Purchases/Services Over \$100,000

- a. Sealed Bids--Formal Advertising. Contractor shall prepare an Invitation for Bid (IFB) or similar solicitation document that includes full and clear definitions and descriptions of the items to be procured. Key performance criteria, dimensions and/or specifications must be included. Sealed bids shall be solicited publicly for procurement for a firm-fixed-price agreement (lump sum or unit price) or other fixed-price arrangement.
- b. Competitive Proposals. Proposals shall normally be conducted with more than one (1) source submitting an offer. Either a fixed-price or cost-reimbursement type Agreement shall be awarded. Contractors shall document methodology in making technical evaluations. Responsible offeror whose proposals are most advantageous to the program regarding price, technical, and other factors shall be considered.
- c. Noncompetitive Proposals--Sole Source. Sole source Agreements shall be procured through solicitation of a proposal from only one (1) source. Funding of an unsolicited proposal, or funding after solicitation of several sources, when competition is determined inadequate shall be used.

Procurement by noncompetitive proposals may be used only when the award of an Agreement is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:

- 1) The item or service is available only from a single source; or
- 2) The public exigency or emergency need for the item or service does not permit a delay resulting from competitive solicitation and the procurement is for a limited time only; or
- 3) The awarding agency authorizes noncompetitive proposals; or
- 4) After solicitation of a number of sources, competition is determined inadequate.

3. Agreement Provisions

All Agreements must contain at a minimum the following provisions.

- a. Specific deliverables and the basis for payment;
- b. Provisions requiring compliance with all CSBG-R regulations;
- c. Provisions that describe remedies for breach;
- d. Provisions for termination for cause and convenience;
- e. Access to records for audit purposes;

- f. Audit requirements;
 - g. Provisions for payment and delivery;
 - h. Provisions describing agreement amendment procedures;
 - i. Provisions against assignment;
 - j. Provisions for equal opportunity and non-discrimination;
 - k. Provisions prohibiting conflicts of interest.
- J. Appeal and Dispute Procedures. The City and its contractors shall have protest procedures to resolve disputes relating to procurement. A protester shall exhaust all administrative remedies with the contractor before pursuing a protest at a higher level. Notice of appeal rights and procedures must be given to all bidders.
- K. Regardless of the amount of the award, if the Contractor receives State Community Services Block Grant (CSBG) funds as a funding source under this Agreement, all sub-recipients of such funding shall certify to a Drug-Free Workplace. All awards to sub-recipients in excess of \$100,000 shall certify that no funds shall be used for lobbying. All agreements and awards to vendors and sub-recipients in excess of \$25,000 shall include debarment certifications.

These guidelines are included to provide additional information regarding conflict of interest regulations in California, the California Multiple Awards System (CMAS), and sample procurement steps for sealed bids and request for proposals. The sub-recipients may use the CMAS for procurement following the small purchase guidelines for procurement under Twenty-Five Thousand Dollars (\$25,000); for procurement over Twenty-Five Thousand Dollars (\$25,000), three (3) written quotes are required. If there are insufficient vendors to provide the quotes, a sole source justification should be written.

- L. RFP/RFQ Procedures. It is a City policy to contract for services on the basis of demonstrated competence and reasonable price by obtaining bids or proposals. Before preparing a RFP for the procurement of services, several preliminary activities should be performed including the determination of the City's/Contractor's needs, consulting with contractors and other local governments, and developing an approach to the procurement process. Excluding small purchases, the Contractors must justify the procurement method used for each purchase. Once these activities are completed, the development of a RFP can begin.

The following guidelines apply to the preparation of written RFPs or RFQs. These provisions apply to this Agreement and to City Contractors who will need to make some modification to the language, that clarifies that the solicitation is from the Contractor and not the City. In the RFP process, cost is usually one of several selection criteria that proposers must address in their proposals. By contrast in the RFQ process, cost becomes a selection criterion only after qualified proposers have been identified from a review of their qualifications. RFQs are usually reserved for the selection of engineers, architects, or other highly specialized, technical providers.

The purpose of the guidelines is to present ideas and material that are characteristic of well prepared solicitations. The guidelines are not intended to provide total coverage of any topic. While the guidelines apply generally, exceptional circumstances may call for modifying or excluding one or more of the suggested provisions. In any case, the RFP or RFQ should be tailored to the job that needs to be done. The arrangement, adequacy, clarity, simplicity and appeal of the solicitation document shall remain the responsibility of the administering agency. To be most effective, a solicitation document should be clear and complete but avoid repetition, legalism or extraneous information. RFPs must be publicly advertised.

1. Standard RFP Format.

a. Cover Page. The cover page should describe briefly the scope of services requested, the format, the issuance date, and the deadline of date and time for submission of proposals, and the Contractor contact for further information about the RFP. Include the name, address, telephone number, and location of the person to whom the submission is to be made. Exhibit A depicts a sample cover page. If a proposers conference is appropriate, include information on the location, time and date of the event. All RFPs should include a deadline for receipt. Contractors shall have procedures to ensure that only proposals received in accordance with the date and time specified will be reviewed. All RFPs shall include the approximate date of the award notification.

b. Contents. The RFP should contain the following standard items that are discussed below:

Introduction

RFP Provisions

Statement of Work and Evaluation Criteria

Proposal Specifications

RFP Items Not Covered

References

Standard Agreement Provisions

Indemnity and Insurance

Signatures and Declarations

Cover letter of proposal

Proposers Conference

Proposal evaluation for Request for Proposals

Disposition of Proposals

Description of failed competition and the rights and options in the event of a failure

RFP Revisions

Staff Reassignments

Grievance procedures to handle and resolve disputes relating to the procurement

Inclusion of Contractual Provisions Required by External Funding Source

City/Contractor Policy Issue Summaries

Affirmative Action

MBE, WBE and Other Business Enterprise Outreach Program.

Sample Policy Statement

Supplementary Instructions to Proposers and Proposer's Affidavit

Contractual Provisions and Certifications (see Exhibit B-G), including, but not limited to, a Certification Regarding Drug-Free Workplace Requirements, only if Contractor receives State CSBG or WIA funds as a funding source under this Agreement; Certification Regarding Lobbying; Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction; Certification Regarding Compliance With Service Contract Worker Retention and Living Wage Ordinances; Certification of Compliance With Equal Benefits Ordinance/Reasonable Measures Application for Equal Benefits Ordinance.

- c. Introduction. Describe in general terms the nature, scope and schedule of the work to be contracted, and the Contractor that will be responsible for administering the Agreement, including name and address of contracting agency. Describe the Contractor's organizational structure that is in place or will be established to facilitate the types of relationships and interactions that will be required to successfully complete the engagement. Present sufficient background and historical information about the project and the Contractor or other agency involved to permit a full understanding of the work to be contracted. State that as a rule all proposals must be submitted in the English language, and that all numerical data must be the dollar-foot-pound-seconds units of measurement.

Describe the minimum and maximum amount of funding for the agreement.

Request that proposals be prepared simply and economically, avoiding the use of unnecessary promotional materials. Proposals shall include a Table of Contents and a signature and date block for the offeror. Specify the number of copies of the proposal to be submitted to the Contractor. State that the Contractor shall accept no responsibility for the cost of preparing any proposal.

Request that proposals be enclosed in a single, sealed package plainly marked with the words "Proposal for (name of project as referenced in the RFP)." Declare that proposals shall be made as firm offers for a set period of time following the deadline for submittal. To ensure that the release of a RFP and receipt of any proposals are properly coordinated, contact the Purchasing Division, Department of General Services for assistance.

Direct proposers to address all questions regarding the RFP and their proposals to the assigned Contractor proposal administrator only. State that failure to comply with this requirement, other than as specifically permitted in the RFP, may disqualify a proposer from further consideration.

Contractor shall direct staff to respond to questions regarding the RFP and the submission requirements. Contractor shall record all responses, except those that are clearly answered in the RFP. Contractor shall provide a written copy of the responses to all parties to whom the RFP has been distributed, including those who attended the proposers' conference. This should be provided in a timely and frequent manner to ensure that all proposers are aware of the responses when preparing their proposal.

State that it is the Contractor's intent to award an Agreement, in a form approved by the Contractor, to the selected proposer. Indicate that the RFP and the Contractor's proposal or any part thereof may be incorporated into and made a part of the agreement. State that the Contractor reserves the right to further negotiate the terms and conditions of the agreement. State that the Contractor, however, shall reserve the right to withdraw the RFP, to reject any proposal for noncompliance with RFP provisions, or not to award a agreement at any time

because of unforeseen circumstances or if it is determined to be in the best interest of the Contractor.

- d. Statement of Work. Describe the tasks that the subcontractor will be responsible to perform. Clearly define the type, scope, schedule, and other relevant characteristics of each task. Use quantitative language whenever possible to establish an objective basis from which to evaluate responses. Describe the status and/or progress reporting that will be required of the subcontractor. Specify any other items that proposers should address, including, but not limited to, the following:

- 1) Background or project content
General requirement description
Related projects
Problem statement
Statutory or regulatory foundation

- 2) *Project objectives
*Purpose
*How results will be used

- 3) *Scope of work
*Population to be served
*Number to be served
*Training or services to be provided

- 4) *Period of Performance

- 5) *Performance Standards

- 6) *Reporting Requirements

*Must be included in the proposal

Generally RFP based agreements are awarded on the basis of several criteria, such as the level of effort and method proposed to do the work, the credentials and related work experience of subcontractor personnel assigned to do the work, City/Contractor policy issues and price. Describe in the RFP the general criteria the Contractor intends to use to evaluate the written responses, and the assigned weight of each criterion.

Proposed evaluation criteria can be complicated by the varying degrees to which the proposals meet, exceed, or fall below the specific requirements of the RFP. Scale the evaluation process to manageable proportions. The more complete and specific the RFP, the better it serves as a standard for measuring and evaluating proposals. Include a statement that the Contractor shall reserve the right to use such other criteria as may be deemed appropriate in evaluating the proposals, even if such criteria are not mentioned in the RFP. State that proposers submitting the highest-rated written responses may be called for an oral interview to further assess their qualifications. Describe the evaluation

criteria that will be used in the interview if different from the written criteria in the RFP. A description of assigned weights may be included if appropriate.

If technical services are to be procured, a technical requirements section should be prepared. The technical requirements section should organize information in a form understandable to potential bidders and Contractor staff. For example, items that might be included in a technical requirements section to procure an automated system include:

Description of current hardware and software operating environment;

Detailed description of all hardware and software requirements;

Indication of need for data conversion assistance;

Outline of orientation and training requirements; and,

Indication of the need for a benchmark demonstration of system capabilities.

- e. Proposal Specifications. Request proposers to demonstrate their capability to fulfill the work to be contracted. Proposers should provide specific information about the personnel, including subcontractors, if possible, who will be assigned to perform the work; past performance on projects of a similar nature including a customer list, if possible; the proposed price to complete the work; adequate documentation on the financial status of the firm that will permit the Contractor to evaluate the proposer's ability to complete the work; and other work elements deemed necessary to evaluate the proposals. State that responses to the RFP must be made in accordance with the format set forth in the RFP. Indicate that a comprehensive index that includes a clear definition of the content of the proposal and that identifies the information set forth therein by sequential page number and appropriate reference number is required. State that failure to meet this requirement may be cause for rejection of the proposal as non-responsive. Generally, each proposer should be requested to address the following specifications:

- 1) Assigned Personnel. The names of the key personnel, whom the proposer employs or plans to employ or hire through sub-agreement, to perform the requested services. For each person listed, the following information should be provided:

Description of the work he/she will perform;

Amount of time he/she will be assigned to work on the project;

Academic achievements, including all college undergraduate and graduate education;

Relevant work experience in years and level of responsibility.

An organization chart depicting the lines of authority, the relationships of the organizational units and the names of the key personnel who will be doing the work.

- 2) Project Cost. The total cost to the Contractor, broken down in salaries, expenses, equipment, and in hours and total dollar amount by deliverable task.

Salary, or wage; billing rate for each employee.

The proposed schedule of payment.

All resources proposed to be supplied by the Contractor.

- 3) Deliverables. The products that the subcontractor will deliver to the Contractor according to a set schedule, including the nature of the deliverables, e.g., oral or written reports, videotapes, or architectural models and, if applicable, number of copies to be provided of written products.
- f. RFP Items Not Covered. Proposals should cover the statement of work and all the RFP specifications. Otherwise, proposers should state why the RFP requirements are not being addressed. If proposers wish to present qualifications in addition to the required items such information should be presented under the heading "Additional Qualifications We Wish To Present". Proposers who do not wish to present such information should state: "There are no additional qualifications we wish to present".
- g. References. Request proposers to support their presentations by listing successfully completed projects that resemble the work to be done and the dates of completion. Request the name, title, address and phone numbers of a contact for each project.
- h. Standard Agreement Provisions. Sample standard agreement provisions have been provided by the City of Los Angeles for Contractor's use. The document, that is available from the City, is updated periodically. Check with the City to ascertain use of the latest version. Unless the standard provisions are incorporated by reference and attached to the RFP, the general agreement provisions that are expected to be included in the agreement should be excerpted from the standard provisions document and provided to prospective proposers.
- i. Indemnity and Insurance. The standard City of Los Angeles insurance conditions are incorporated into the sample standard subcontract provisions. The specific insurance coverages and limits shall be described by contractor in the RFP. These coverages and limits should be tailored to the individual subcontract. For City contracts, **Required Insurance and Minimum Limits** are set by the City Risk Management staff in the Office of the City Administrative Officer of the City of Los Angeles on the Form Gen.146. Electronic submission is the preferred method of submitting your evidence of insurance documents. **Track4LA™** is the CITY's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA™** at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf. Additional instructions and information on complying with City of Los Angeles insurance requirements can be found at: http://cao.lacity.org/risk/Submitting_proof_of_Insurance.pdf
- j. Signatures and Declarations. Each proposal must be signed on behalf of the proposer by an officer authorized to bind the proposer, and must include the following declaration:

This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the proposer has not directly or

indirectly induced or solicited any other proposer to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the proposer has not in any manner sought by collusion to secure for himself an advantage over any other proposer.

- k. Cover Letter of Proposal. The cover letter of each proposal should be limited to one (1) page. The letter must include the title, address and telephone number of the person or persons who will be authorized to represent the proposer. The letter must be signed by a company officer authorized to bind the company to all commitments made in the proposal.
- l. Proposers Conference. Determine if a proposers' conference will be conducted. A proposers' conference may be appropriate especially if the work to be contracted has not previously been done by contract or not done at all. If a proposers' conference is to be scheduled, designate a date, time and place at which proposers will be given the opportunity to pose questions about the RFP and notify all parties to whom the RFP has been distributed. The notification can be included in the RFP. Invite proposers to submit their questions in writing prior to the conference, and arrange, to the extent possible, for all questions to be answered at the conference. A memorandum for the proposers listing attendees, documenting in writing each question answered at the conference, any actions taken during the conference, etc. shall be prepared to document the conference and conveyed to the participants. Contractors shall provide this information directly to the proposers who received the RFP but were unable to attend the conference or as an addendum to the RFP for any subsequent requesters. The memorandum should be filed with the record set of contractual documents retained by the Contractor. Materials handed out at the proposer's conference shall be available to all other parties following the conference. If a proposers' conference was not initially planned but the number or extent of questions regarding the RFP indicates a need for one, a separate notice should be mailed and the RFP due date extended if necessary.
- m. Proposal Evaluation for Request for Proposals (RFP). Contractor/City shall develop proposal evaluation procedures in accordance with the requirements of Section D.14 above.
- n. Failed Competition. The RFP shall provide that it is the Contractor's/City's authority to determine that the procurement process has failed. The basis for failure should include a lack of response to RFP; not enough bidders; a determination that the responses do not agree with mandatory requirements of the RFP; a determination that no proposer demonstrated effectiveness in providing the services solicited, and/or a determination that the award of a agreement at this time to any proposer would not be cost effective, responsible or prudent. In the event that the City/Contractor determines that the procurement has failed, it may elect to negotiate a sole source agreement or develop and issue a new Request for Proposals.
- o. Disposition of Proposals. State that all proposals submitted in response to the RFP shall become the property of the Contractor/City and a matter of public record. Also, proposers must identify all copyrighted material, trade secrets or other proprietary information that they claim are exempt from disclosure under the Public Records Act (California Code §6250 *et seq.*). In the event such an exemption is claimed, the proposer shall be requested to state in the proposal that he or she will defend any action brought against the Contractor/City for its refusal to disclose such material, trade secrets or other proprietary information to any party making a request therefore.
- p. RFP Revisions. Any revision made to an issued RFP shall be sent to all parties known to have received a copy of the original RFP.

- q. Staff Reassignments. If the original selection of a subcontractor will be based in part on the qualifications of specific key individuals named in the proposal, state that the Contractor/City must approve in advance any changes in individuals or levels of commitment to the project. State that the Contractor will reserve the right to have the subcontractor replace any subcontractor project personnel.
- r. Inclusion of Contractual Provision Required by External Funding Source. Federal, state and other funding agencies typically impose requirements on recipients of funds that apply to subcontractors. Such requirements should be reflected in RFPs and related contracts.
- s. City Policy Issue Summaries.

1) Affirmative Action. The City of Los Angeles' Administrative Code (Division 10, Chapter 1, Article 1, §10.8) establishes an affirmative action program for vendors doing business with the City. State that as a condition of agreement award, the selected proposer shall be required to comply with the provisions of the City's Affirmative Action program, including the submission of one of the following affirmative action plans: a) a trade association affirmative action plan; b) the proposer's own affirmative action plan; or c) an executed copy of the Los Angeles City Affirmative Action Plan. Refer to the provisions herein regarding nondiscrimination and affirmative action and recite the text of this provision in the RFP. Urge proposers to include an affirmative action plan in their proposals. Attach as an appendix to the RFP the City forms (GSS-AA 1) instructing prospective subcontractors about compliance with the City's Affirmative Action Program.

2) MBE, WBE and Other Business Enterprise Outreach Program. It is the policy of the City to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all Contractor agreements, including procurement, construction and personal services. This policy applies to all Contractors. Be sure to comply with the provisions of City Executive Directive I-B and 1-C to ensure that MBEs, WBEs, and all other businesses are offered the greatest opportunity to compete for and perform sub-agreements and provide personal services to the Contractor.

Include a statement that proposers are to assist the Contractor in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBEs and WBEs, have an equal opportunity to compete for and participate in Contractor sub-agreements. Inform proposers that equal opportunity will be determined by their good faith efforts comply with the Contractor's outreach program. Advise proposers that participation by MBEs, WBEs, and all other businesses may be in the form of joint ventures or subcontracting. Contractor is responsible for the implementation of MBE/WBE procedures.

Include a statement informing proposers of the City's Child Care Policy and that, to the extent permitted by law, proposers with stated child-care policies shall receive preference in contracting with the Contractor. Bids are not non-responsive if child-care documents are not provided.

- 2. Consultant Directory. To assist Contractors in identifying potential subcontractors, the Office of the City Administrative Officer of the City of Los Angeles (CAO) maintains a computerized consultant directory. Firms are listed according to their fields of expertise,

e.g., bond counsel, CPA, and human resources. Contact the CAO Productivity Group for access to the directory and for lists of firms in the form of mailing labels, hard copy reports or both.

§703 RECORDS AND AUDITS OF SUB-AGREEMENTS

- A. Records shall be maintained in accordance with requirements prescribed by the City with respect to all matters covered by any sub-agreement. Such records shall be retained within the Los Angeles Area for a period of five (5) years after receipt of final payment under this Agreement, unless authorization to remove them is granted in writing by the City.
- B. Expenditures pertaining to sub-agreements shall be supported by properly executed documents evidencing in detail the nature of the charges.
- C. At such times and in such forms as the City may require, there shall be furnished to the City such statements, records, reports, data and information as the City may request pertaining to matters covered by any sub-agreement.
- D. These records shall be made available to the City for copying, audit, and inspection at any time during normal business hours.

§704 COST-PLUS-A-PERCENTAGE-OF-COST-SUBCONTRACTING

Under no circumstances shall the Contractor enter into Cost-Plus-a-Percentage-of-Cost sub-agreements.

§705 RESTRICTION ON DISBURSEMENTS

No money received pursuant to this Agreement by the Contractor shall be disbursed to any subcontractor except pursuant to a written agreement that incorporates the applicable General Agreement Conditions as described herein and unless the subcontractor is in compliance with City requirements with regard to accounting and fiscal matters, to the extent that they are applicable.

§706 PARTICIPATION OF SMALL, MINORITY, AND WOMEN'S BUSINESS

Consistent with Executive Order Nos. 11625, 12432, and 12138, Contractor shall provide opportunities for small, minority, and women's businesses to participate in contracting and procurement activities generated under this Agreement. The Contractor shall:

- 1. Invite small, minority, and women's businesses to participate in procurements under this Agreement.
- 2. Divide total requirements into small requirements to permit maximum small, minority, and women's business participation whenever economically feasible.
- 3. Use the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the Community Services Administration (or its successor), as required.
- 4. The Contractor shall include the requirements of this section in every sub-agreement for work in connection with this Agreement and project.

8. REMEDIES

§801 WAIVERS

Waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City.

No waiver by the City or breach of any provision of these conditions shall be deemed for any purpose to be waiver or a breach of any other provision. A party's performance after the other party's default shall not be construed as a waiver of that default.

§802 AMENDMENTS

Either party may request an amendment to this Agreement. Amendments to this Agreement must be in writing and properly executed by both the City and the Contractor. No verbal agreement or conversation with any officer or employee of either party shall affect or modify any terms and conditions of this Agreement.

The Contractor agrees to comply with all future City Directives or any rules, amendments or requirements promulgated by the City affecting this Agreement.

§803 DEFAULTS

Should the Contractor fail for any reason to comply with the contractual obligations of this Agreement, including but not limited to, fails to meet the Performance Standards, fails to start up the program on time, fails to provide services according to plan and/or to benefit customers and the provisions of the Agreement, fails to maintain expenditures at an approved rate in the Budget Summary/Expenditure/Work Plan fails to resolve performance problems in a timely manner, fails to demonstrate the capabilities to solve identified problems within a specific time, fails to provide necessary fiscal or Management Information Services (MIS) documents to City in a timely manner, fails to maintain agreed cost per placement or fails to utilize City funds in accordance with the terms and conditions of the Agreement, the City reserves the right to take any or all of the following actions at its discretion:

- A. Notify Contractor of performance deficiencies in accordance with §804 of this Agreement;
- B. Withhold the release of funds;
- C. Require that no funds be advanced to Contractor until Contractor has provided for the security of funds advanced by a Surety/performance bond. The amount and form of the security, if required, shall be determined by the City as noted on **Exhibit A** (Insurance Requirement Form) and is subject to prior City approval;
- D. Modify and/or renegotiate the funding/service level and/or make any changes in the general scope of this Agreement;
- E. Require Contractor to secure at its own expense the services of Independent Experts;
- F. Require specific performance progress reports for identified time periods;
- G. Reduce compensation within the scope of the City's reallocation policy; or
- H. Suspend operations in accordance with §805 below of this Agreement.
- I. Terminate the Agreement

§804 NOTICE TO CORRECT PERFORMANCE

- A. The City may notify the Contractor of its failure to comply with the terms and conditions of this Agreement by giving written notice, effective upon date of posting, that states the specific performance deficiencies to be corrected.
- B. Within ten (10) working days, the Contractor shall reply in writing setting forth the corrective actions that will be undertaken to remedy the performance deficiencies, which actions are subject to City approval in writing.

- C. Contractor shall thereafter submit monthly progress reports to the City in accordance with the City approved corrective action plan specifying the actions taken and resolution of the performance deficiencies.

§805 SUSPENSION OF THE AGREEMENT

- A. The City may, by giving written notice, suspend all or part of the project operations for Contractor's failure to comply with the terms and conditions of this Agreement; and may notify the bank identified on the City form referenced in §104A.3 above that all funds are frozen pending further notice from the City. This Notice of Suspension shall be effective upon the date of posting.
- B. This notice shall set forth the specific conditions of noncompliance and the period provided for corrective action.
- C. Within ten (10) working days from the date of written City notification, the Contractor shall reply in writing setting forth the corrective actions that will be undertaken, subject to City approval in writing.

§806 TERMINATION OF AGREEMENT

- A. The parties agree that at any time during the term of this Agreement, either party may terminate this Agreement, or any part of the Agreement, upon giving the other party at least Thirty (30) days written notice prior to the effective date of the termination, which date shall be specified in the notice. The City is not required to use other remedies provided in this Agreement prior to issuing a 30-day notice to terminate the Agreement.
- B. Contractor shall retain and dispose of all customers' documents and related records required by the Contractor under this Agreement, in accordance with City Directives or written instructions.

All finished and unfinished documents and materials procured for or produced under this Agreement, including all intellectual property rights thereto, shall become City property upon the date of such termination. Contractor agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein.
- C. Contractor shall return to the City all equipment that was purchased with City grant funds pursuant to this Agreement.
- D. In the event Contractor dissolves or otherwise goes out of existence, copies of all records relating to the project or activity that are the subject of this Agreement shall be furnished to the City.
- E. Upon satisfactory completion and documentation of termination activities, the City shall determine the total amount of funds earned by the Contractor.
- F. The City may withhold any payments due to the Contractor after notice of termination has been issued for the purpose of set-aside until the exact amount of damages or unearned dollars due to the City from the Contractor is determined.
- G. Subsections B, C, D, E, and F above shall also apply to Agreements terminating upon the date specified in §103 of the foregoing Agreement or upon completion of performance of this Agreement.

§807 BREACH

In the event any party fails to perform, in whole or in part, any promise or covenant in this Agreement, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. These rights and remedies are cumulative of those provided for in this Agreement with respect to termination, if any, except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

This Contract may be terminated immediately for any violation of City Lobbying Ordinances.

In the event the City terminates this Agreement as provided in this section, the City may procure, upon such terms and in such manner as the City may deem appropriate, services similar in scope and level of effort to those so terminated, and Contractor shall be liable to the City for all of its costs and damages, including, but not limited to any excess costs for such services.

If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that Contractor was not in default under the provisions of this section, or that the default was excusable under the terms of this Agreement, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to §806 Termination of Agreement.

§808 NOTICES OF SUSPENSION OR TERMINATION

In the event that this Agreement is suspended or terminated, the Contractor shall immediately notify all employees and customers and shall notify in writing all other parties contracted with under the terms of Agreement within five (5) working days after receiving the notice from the City.

9. ENTIRE AGREEMENT

§901 COMPLETE AND INTEGRATED AGREEMENT

This Agreement contains the full, complete and integrated Agreement between the two (2) parties. No verbal agreement or conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement. Except as amended, all terms and conditions shall remain in full force and effect. The provisions of this Agreement that impose an on-going duty shall survive beyond the termination of expiration of the Agreement.

§902 NUMBER OF PAGES AND ATTACHMENTS

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes ninety one (91) pages, seven (7) Exhibits and one (1) Attachment that constitute the entire understanding and agreement of the parties.

10. SIGNATURE PAGE

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM AND LEGALITY:

CARMEN A. TRUTANICH, City Attorney

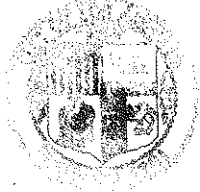
By: Annette M. Sierra
Annette M. Sierra
Deputy City Attorney

Date: January 19, 2010

ATTEST:
JUNE LAGMAY, City Clerk

By: June Lagmay

Date: 1/20/10



(Contractor's Corporate Seal)

Executed this 22nd day of Dec, 2009

For: THE CITY OF LOS ANGELES

RICHARD L. BENBOW

General Manager
Community Development Department

By: Robert Sainz
Name: ROBERT SAINZ
Title: Assistant General Manager

Executed this 21 day of Dec, 2009

For: ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER

By: Karla Alvarado-Goldberg
Name: Karla Alvarado-Goldberg
Title: Board President

By: _____
Print Name: Karla Alvarado-Goldberg
Title: Board President

City Tax Registration Certificate Number: 113675

Internal Revenue Service ID Number: 95-2881682

Council File Number: 09-0560; Date of Approval: 12/11/09

Said Agreement is Number C-116690 of City Agreements
(T4501)

Required Insurance and Minimum Limits

Name: Echo Park - Silverlake People's Childcare CenterDate: 01/13/2010Agreement/Reference: Family Source Specialized Services Contracts

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

☒ **Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)**
WC StatutoryEL \$1,000,000☐ Waiver of Subrogation in favor of City☐ Longshore & Harbor Workers☐ Jones Act
☒ **General Liability**
\$1,000,000☒ Products/Completed Operations☒ Sexual Misconduct \$1 million☐ Fire Legal Liability☐
☐ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work)

☐ **Professional Liability** (Errors and Omissions)
Discovery Period 12 Months After Completion of Work or Date of Termination
☒ **Property Insurance** (to cover replacement cost of building - as determined by insurance company)
☒ All Risk Coverage☐ Boiler and Machinery☐ Flood☐ Builder's Risk☐ Earthquake☒ City-owned equipment (\$10,000)
☐ **Pollution Liability**
☐
☐ **Surety Bonds - Performance and Payment (Labor and Materials) Bonds**

100% of the contract price

☐ **Crime Insurance**
Other: Sent to Elizabeth Diaz @ CDD

*Contractor is leasing entire City-owned Building space at 1953 North Lake Shore, Los Angeles, CA 90039, so tenant contractor is required to provide property insurance to cover the replacement cost of the building (Estimated 1,980 square feet of total leased building space)

CR#15

EXHIBIT A
INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

PERSON TO CONTACT Direct all correspondence, questions, requests for additional forms, etc., to the contact person listed here or to the department that administers your contract, lease or permit:

NAME	LaFaye Jones
CITY AGENCY	Community Development Dept. Financial Management Div.
ADDRESS	1200 W. 7 th Street, 4 th Floor Los Angeles, CA 90017
TEL (213) 744-7321	FAX (213) 744-362

GENERAL INFORMATION

1. **Agreement/Reference** All evidence of insurance must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 146) included in your CITY documents.

2. **When to submit** Normally, no work may begin until an Office of the City Administrative Officer, Risk Management insurance approval number has been obtained, so documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** An **Insurance Industry Certificate of Insurance (such as an ACORD Certificate)** containing a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) AND an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee is the preferred form of evidence of insurance. If policy includes an automatic or blanket additional insured endorsement, the ACORD certificate must state the City is covered by this endorsement. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter.

Acceptable Alternatives to Insurance Industry Certificates of Insurance:

- A **copy of the full insurance policy** which contains a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) and additional insured and/or loss-payee status, when appropriate, for the CITY.
- **Binders and Cover Notes** are also acceptable as interim evidence for up to 90 days from date of approval.

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law or the California Financial Responsibility Law for Automobile Liability.
- Professional Liability insurance.

Completed **Insurance Industry Certificates of Insurance** can be sent electronically (CAO.insurance.bonds@lacity.org) or faxed to the Office of the City Administrative Officer, Risk Management ((213) 978-7615 or (213) 978-7616). Electronic submission is the preferred method of submitting your documents. Verification of approved insurance and bonds may be obtained by checking the Office of the City Administrative Officer, Risk Management, Insurance & Bonds Compliance System at <http://www.lacity.org/cao/risk/index.htm>.

EXHIBIT A - Cont.
INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

4. **Renewal** When an existing policy is renewed, submit an Insurance Industry Certificate of Insurance or a renewal endorsement. If your policy number changes, you must submit a new Additional Insured Endorsement.

5. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed the relevant audited financial statements. To initiate a review for approval of your program, you should complete and submit the Applicant's Declaration of Self Insurance form (<http://www.lacity.org/cao/risk/InsuranceForms.htm>) to the Office of the City Administrative Officer, Risk Management for consideration.

6. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third-party claims which may arise out of your work or your presence or special event on CITY premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of CITY premises. (Information on two City insurance programs, the SPARTA program, an optional source of low-cost insurance which meets most minimum requirements, and PROMPT COVER, which provides liability coverage for short-term special events on CITY premises or streets, is available at www.2sparta.com, or by calling (800) 420-0555.)

7. **Automobile Liability** insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement form from www.lacity.org/cao/risk. **A Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the CITY) any workers' compensation paid to an injured employee of CONTRACTOR/CONSULTANT.

10. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Builder's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY-required bid, payment and performance surety bonds, please see the Bond Assistance Program Los Angeles at <http://www.imwis.com/citylosangeles.htm> or call (213) 327-0298 for more information.

EXHIBIT B
NOTICE OF PROHIBITION AGAINST RETALIATION

An employer subject to the Living Wage Ordinance shall post in a prominent place in an area frequented by employees a copy of the below notice to employees regarding the LWO prohibition against retaliation (also available in English at www.lacity.org/BCA/lwo_retaliation_english.pdf and in Spanish at www.lacity.org/BCA/lwo_retaliation_spanish.pdf). The retaliation notice must be posted by an employer even if the employer has been exempted from the LWO.

**NOTICE TO EMPLOYEES
WORKING ON CITY CONTRACTS
RE: LIVING WAGE ORDINANCE AND
PROHIBITION AGAINST RETALIATION**

"Section 10.37.5 Retaliation Prohibited" of the Living Wage Ordinance (LWO) provides that any employer that has a contractual relationship with the City **may not** discharge, reduce the pay of, or discriminate against his or her employees working under the City contract for any of the following reasons:

1. Complaining to the City if your employer is not complying with the Ordinance.
2. Opposing any practice prohibited by the Ordinance.
3. Participating in proceedings related to the Ordinance, such as serving as a witness and testifying in a hearing.
4. Seeking to enforce your rights under this Ordinance by any lawful means.
5. Asserting your rights under the Ordinance.

Also, you may not be fired, lose pay or be discriminated against for asking your employer questions about the Living Wage Ordinance, or asking the City about whether your employer is doing what is required under the LWO. If you are fired, lose pay, or discriminated against, you have the right to file a complaint with the Equal Employment Opportunity/Affirmative Action Section, as well as file a claim in court.

For more information, or to obtain a complaint form, please call the Equal Employment Opportunities Enforcement Section at (213) 847-1922.

**CITY OF LOS ANGELES
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway Street, 3rd Floor
Los Angeles, CA 90015
Phone: (213) 847-1922 — Fax: (213) 847-2777**

EXHIBIT C
CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Orders 12459 and 12689, Debarment and Suspension, 24 CFR Part 24 Section 24.510, and 29 CFR Parts 97.35 and 98.510, Participants' responsibilities.

(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE COMPLETING)

1. The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

AGREEMENT NUMBER _____

ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER
CONTRACTOR/BORROWER/AGENCY

Karla Alvarado-Goldberg Board President
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Karla Goldberg
SIGNATURE

12/21/09
DATE

Exhibit C (cont.)
INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Orders 12459 and 12689.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non-Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

EXHIBIT D
CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AGREEMENT NUMBER _____

ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER
CONTRACTOR/BORROWER/AGENCY

Karla Alvarado-Goldberg Board President
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Karla Goldberg
SIGNATURE

12/22/19
DATE

EXHIBIT E
MANAGEMENT REPRESENTATION

As a prerequisite to receipt of a City funded Agreement, and as material facts upon which the City may rely in preparing the Agreement, I, an authorized representative of the Contractor, make the following representations:

1. I am responsible for the fair presentation of the Contractor's financial records/reports in conformity with Generally Accepted Accounting Principles (GAAP) and have provided such records/reports accordingly to the City. I will make available to City all related data and information. I am not aware of any material transactions that have not been properly recorded and disclosed.

True ☒ False ☐

2. The Contractor has adopted sound accounting policies and procedures in accordance with GAAP that include procedures for maintaining internal controls, and preventing and detecting fraud and abuse.

True ☒ False ☐

3. I have advised and will continue to advise the City of any actions taken at meetings of Contractor's Board of Directors, and Committees of the Board of Directors that may have a material impact on Contractor's ability to perform the City's Agreement.

True ☒ False ☐

4. Except as recorded or disclosed to you herein, I know of no instances of:

- a. Conflict of interests (direct or indirect), nepotism, related (direct or indirect) party transactions including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

True ☒ False ☐

- b. Guarantees, whether written or oral, under which the Contractor is contingently liable.

True ☒ False ☐

- c. Actual, forthcoming or possible terminations of funding from regulatory agencies or other sources due to noncompliance, deficiencies, or for any other reason, that would affect the financial records and/or continuing viability of the Contractor as an on-going concern.

True ☒ False ☐

5. I have no knowledge that a board member/s is/are also an employee of this Contractor whose salary costs are reimbursed under this agreement.

True ☒ False ☐

6. I have no knowledge of and am not in receipt of any communication regarding allegations of fraud, suspected fraud or abuse affecting the Contractor involving management, employees who have significant roles in internal control, or others where fraud/abuse could have a material effect on the financial records or performance of the City Agreement.

True ☒ False ☐

7. I have no knowledge of any allegations, written or oral, of misstatements or misapplication of funds in the Contractor's conduct of its financial affairs or in its financial records.

True ☒ False ☐

8. I am not aware of any pending litigation, bankruptcy, judgment, liens and other significant issues that may threaten the financial viability, legal and continuing existence of the Contractor.

True ☒ False ☐

9. The Contractor has satisfied every title to all assets being used in the City's program, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
- True ☒ False ☐
10. The Contractor has complied with all aspects of contractual agreements, related laws and regulations that could have a material effect on the financial records, the program/s, or on the organization as a whole.
- True ☒ False ☐
11. I have properly reported and paid to the appropriate governmental agencies all payroll taxes due on employees' (City program related or otherwise) compensation.
- True ☒ False ☐
12. I have responded fully to all the City's inquiries related to the Contractor's financial records and/or reports.
- True ☒ False ☐
13. I understand that the City's auditing and monitoring procedures of Contractor are limited to those that the City determines best meet its informational needs and may not necessarily disclose all errors, irregularities, including fraud or defalcation, or illegal acts, that may exist.
- True ☒ False ☐
14. I understand that the City audit and monitoring reports are intended solely for use by the Contractor and the other authorized parties, and are not intended for other purposes, unless otherwise required by law.
- True ☒ False ☐
15. If one or more of the above statements is found to be false, I understand that the City may terminate this agreement immediately. I also understand that I have a continuing duty to report to City any material factual change to any of these statements.
- True ☒ False ☐
- Use this space to provide any additional information:

I declare under penalty of perjury that I have read the foregoing statements and they are true and complete to the best of my knowledge.

For: ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER

Karla Zaldbey
Signature (Person Authorized by the Board of Directors to Bind Corporation)

Karla Alvarado-Goldberg
Printed Name

Board President
Title

12/22/09
Date Signed

Agreement

Number

EXHIBIT F
CERTIFICATION REGARDING DRUG FREE WORKPLACE REQUIREMENTS

The Contractor certifies that it will provide a drug-free workplace, in accordance with the California Drug Free Workplace Act of 1990 (Title 2 Govt. Code of State of California §§8351 *et seq.*) by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Establishing a drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Contractor's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the WIA program be given a copy of the statement required by paragraph 1. above.
4. Notifying the employee in the statement required by paragraph 1. that, as a condition of employment under the WIA program, the employee will:
 - a. Abide by the terms of the statement, and
 - b. Notify the Contractor of any criminal drug statute convictions for a violation occurring in the workplace no later than five days after such conviction.
5. Notifying the City within ten days after receiving notice under subparagraph 4. b. from an employee or otherwise receiving actual notice of such conviction.
6. Taking one of the following actions, within 30 days of receiving notice under subparagraph 4.b. with respect to any employee who is so convicted:
 - a. Taking appropriate personnel action against such an employee, up to and including termination, or
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of the provision of this certification.

AGREEMENT NUMBER _____

ECHO PARK-SILVERLAKE PEOPLES CHILD CARE CENTER
CONTRACTOR/BORROWER/AGENCY

Karla Alvarado Goldberg Board President
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Karla Goldberg
SIGNATURE

12/22/09
DATE

CITY ORDINANCE INFORMATION

LIVING WAGE ORDINANCE (LWO)

For LWO Rules and Regulations:

www.lacity.org/BCA/lw_pdf_files/lworulesandregs%2072004.pdf

For Summary of LWO (Questions and Answer):

www.lacity.org/BCA/lw_pdf_files/lwoqna.pdf

FORMS:

Non-Profit/One Person Contractor Certification of Exemption:

www.lacity.org/BCA/lw_pdf_files/exemptioncertification.pdf

Employee Information Form: www.lacity.org/BCA/lw_pdf_files/eiLW6.pdf

Subcontractor Information Form: www.lacity.org/BCA/lw_pdf_files/siflw18.pdf

Subcontractor's Declaration of Compliance: www.lacity.org/BCA/lw_pdf_files/doc.pdf

EQUAL BENEFITS ORDINANCE (EBO)

INSTRUCTION ON FORMS: www.lacity.org/BCA/lw_pdf_files/instructions.pdf

FORMS:

If Contractor fully complies, complete an EBO compliance form:

www.lacity.org/BCA/lw_pdf_files/full.pdf

If Contractor requests providing cash equivalent compliance to affected employees, complete both application for Reasonable Measures (www.lacity.org/BCA/lw_pdf_files/reasonable.pdf) AND an EBO Compliance form.

If Contractor requests additional time to comply with EBO, complete both Provisional Compliance Application with EBO www.lacity.org/BCA/lw_pdf_files/provis.pdf AND a Certification of Compliance with EBO.

For first time applicants, please refer to www.lacity.org/BCA/lw_pdf_files/ebodoc.pdf for required supporting documents.

MANAGEMENT MEMO

SUBJECT:**SAFEGUARDING AGAINST AND RESPONDING TO A BREACH OF SECURITY INVOLVING PERSONAL INFORMATION****NUMBER:****MM 08-11****DATE ISSUED:****NOVEMBER 6, 2008****EXPIRES:****UNTIL RESCINDED****REFERENCES:**

CALIFORNIA INFORMATION PRACTICES ACT OF 1977 (CIVIL CODE SECTIONS 1798 ET. SEQ); STATE ADMINISTRATIVE MANUAL (SAM) SECTIONS 5100 AND 5300 THROUGH 5399

ISSUING AGENCY:**OFFICE OF INFORMATION SECURITY AND PRIVACY PROTECTION****BACKGROUND AND PURPOSE**

Government Code section 11549.3 charges the Office of Information Security and Privacy Protection (OISPP) with responsibility for the creation, updating, and publishing of information security and privacy policies, standards, and procedures directing state agencies to effectively manage security and risk for information and information technology (as defined).

The purpose of this Management Memo (Memo) is to announce a new policy requirement and procedural directive related to a state agency's response to a breach of security involving personal information. It also serves to reinforce state agency responsibilities under existing law and state policy for safeguarding personal information collected, used, maintained, and/or held in custodianship in conjunction with the administration of state programs and services, and to clarify existing security incident management policies and procedures.

Safeguarding against and preventing security breaches involving personal information is essential to maintaining the public's trust in government. Failure to protect personal information can place people in jeopardy in a variety of ways, including identity theft, damage to reputation, and physical injury.

While ultimate responsibility rests with agency heads, every employee plays a role in the protection of personal information. This Memo should receive the widest possible distribution within state agencies, and each organization and individual must understand their specific responsibilities for implementing and complying with information security and privacy requirements and procedures.

GENERAL POLICY

Longstanding policies articulated in State Administrative Manual (SAM) and law, including but not limited to SAM Sections 5100 and 5300 through 5399, and the California Information Practices Act (IPA) of 1977 (Civil Code sections 1798 et seq.), require all state agencies to establish:

- Ongoing data inventory and classification procedures for all records held by the agency. (SAM section 5320.5 and Chapter 1600).
- Administrative, technical, and physical safeguards to appropriately ensure the security (confidentiality, integrity, and availability) of those records and to protect against anticipated threats or hazards that could result in any injury. (SAM sections 5310 and 5325, and Civil Code section 1798.21).
- Rules of conduct for any person involved in the design, development, operation, use, disclosure, maintenance, and destruction of records

containing personal information. (Management Memo 06-12, SAM sections 5310 and 5325, and Civil Code section 1798.20).

- Ongoing training and instruction to any persons involved in the design, development, operation, use, disclosure, maintenance, and destruction of records containing personal information about the rules and consequences of noncompliance. (SAM section 5325 and Civil Code section 1798.20).
- Encryption of portable computing devices and media that contain confidential, personal and sensitive information. (SAM section 5345.2)
- Use of the American National Standards Institute (ANSI) management information standards and the Federal Information Processing Standards (FIPS) in their information management planning and operations. (SAM section 5100). The ANSI standards are national consensus standards that provide guidance on a variety of issues central to the public and industrial sectors. Under the Information Technology Management Reform Act (Public Law 104-106), the Secretary of Commerce approves standards and guidelines that are developed by the National Institute of Standards and Technology (NIST) for Federal computer systems. These standards and guidelines are issued by NIST as FIPS for use government-wide. NIST develops FIPS when there are compelling Federal government requirements such as for security and interoperability and there are no acceptable industry standards or solutions. Guidance documents and requirements for implementing these standards include, without limitation, those related to the validation of cryptographic modules found in encryption products used for the protection of confidential, personal, or sensitive information.
- A process to ensure individuals are notified when a security breach involving their personal information has occurred. (SAM section 5350.3 and Civil Code section 1798.29).

PERSONAL INFORMATION DEFINED

The IPA broadly defines personal information in Civil Code section 1798.3 as "any information that is maintained by the agency that identifies or describes an individual, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by or attributed to, the individual."

For purposes of both the legal and state policy breach notification requirements, the subset of personal information as defined in Civil Code section 1798.29, subsections (e) through (f) is used and hereinafter referred to as "notice-triggering" information.

EXISTING SAFEGUARD REQUIREMENTS

The following are particularly important requirements within the existing legal and policy framework that state agencies should already have implemented to safeguard personal information:

1. Rules and Controls Limiting Access. Agencies must ensure that their access control policies and practices support the principle of "least privilege" and appropriate segregation of duties. Least privilege refers to the granting of employee access to personal information or systems based

on a legitimate business need to access the information in the performance of their job duties (refer to Chapter 16, of NIST SP-800-12, An Introduction to Computer Security). Agencies must also implement controls to detect and deter misuse, unauthorized access, or access that exceeds the limits of an employee's authorized access. For example, an employee may, by virtue of his or her job-related duties, have access to all records in a particular database or system, including records that may be held by the agency about those personally known to him or her (e.g., friends, family members, neighbors, etc.). However, that employee should not access those records unless specifically assigned a job-related duty in support of the processing or handling of such records. Agencies must also employ, to the extent practical, technical controls to automate compliance with these requirements. (SAM sections 5100, 5335.1, 5335.2, 5340, and 20050).

2. Employee Training. Before permitting access to agency information and information systems, agencies must train all employees (including managers and contracted staff) about their privacy and security responsibilities. Supervisors must also be trained about their role and responsibilities for providing day-to-day instruction, training and supervision of staff regarding their obligation to safeguard personal information. Thereafter, agencies must train employees at least once annually to ensure employees continue to understand their responsibilities. Additional or advanced training should also be provided commensurate with increased responsibilities or changes in duties. Both initial and refresher training must cover acceptable rules of behavior and the consequences when rules are not followed. For agencies implementing telecommuting or telework, and other authorized remote access programs, training must include the rules of such programs. (SAM section 5325 and Civil Code section 1798.20).
3. Signed Acknowledgements. Agencies must ensure that all individuals with authorized access to personal information sign an acknowledgement at least once each year to demonstrate both their receipt of the rules and requisite training, as well as their understanding of the consequences for failure to follow the rules. (SAM section 5325).
4. Written Agreements with Third Parties. Agencies must ensure that when personal information is shared with third parties, it is either specifically permitted or required by law and that a written agreement is executed between the parties. The written agreement is to identify the applicable Federal and state laws, as well as all departmental policies, standards, procedures, and security controls that must be implemented and followed by the third party to adequately protect the information. The agreement must also require the third party, and any of its sub-contractors with whom they are authorized to share the data, to share only the minimum personal information necessary, to securely return or destroy the personal information upon expiration of the contract, and to provide immediate notification to the state agency, and to individuals when appropriate, whenever there is a breach of personal information. (SAM sections 5310 and 5320.3, and Civil Code section 1798.19).
5. Encryption. Agencies must encrypt all confidential, personal, or sensitive data on mobile devices or media whenever that type of information is

authorized for use on such devices or media, using only NIST certified cryptographic modules (FIPS 140-2 validated products). (SAM sections 5100 and 5345.2).

6. Review and Reduce Current Personal Information Holdings. Agencies must review current holdings of all records containing personal information and ensure to the maximum extent practical, such holdings are reduced to the minimum necessary for the proper performance of a documented agency function. (Civil Code section 1798.14).
7. Review Current Forms and Other Methods of Personal Information Collection. Agencies must review all current forms, paper, and any other methods (e.g., online or telephony) used to collect personal information, to ensure the specific authority or authorization to collect such information exists, and appropriate notice is included on or with any such forms. (Civil Code section 1798.17).
8. Eliminate Unnecessary Collection and Use. When in the course of such reviews, the collection of personal information is no longer necessary for an authorized business purpose, agencies shall ensure that its collection is discontinued, and that the forms or any other methods used to collect this information are properly retired, revised, or replaced. (Civil Code section 1798.14).
9. Explore Alternatives to the Use of Social Security Numbers. Many recently enacted privacy laws prohibit the use of Social Security numbers as personal identifiers in state systems, or specifically require truncation when they must be used. All state agencies should participate in government-wide efforts to explore alternatives to the use of Social Security numbers as a personal identifier for both recipients of state programs and services, and state employees. (Civil Code sections 1798.14 and 1798.85).
10. Review Internal Controls to Safeguard Personal Information. Agencies must ensure that their risk management practices and ongoing assessments and reviews include evaluations of the adequacy of controls implemented to safeguard personal information held by the agency, and its contractors, and its other custodians with whom data may be shared. Internal controls include "Information Technology" controls, as well as administrative controls. (SAM sections 5305 to 5305.2). Further, in accordance with the California Financial Integrity and State Manager's Accountability Act (FISMA) of 1983 (Government Code Sections 13400 through 13407), "internal accounting and administrative controls are the methods through which reasonable assurances can be given that measures adopted by state agency heads to safeguard assets, check accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies are being followed." To ensure the state FISMA requirements are fully complied with, the head of each state agency must conduct an internal review and report on the adequacy of its internal controls by December 31, of each odd numbered year to the Legislature, the State Auditor, the Governor, the Director of the Department of Finance, and the State Library. (SAM section 20060). An agency's review of personal information holdings, personal information collection methods, and internal controls to

safeguard personal information may be completed in conjunction with the agency's biennial FISMA review.

EXISTING INCIDENT MANAGEMENT AND BREACH RESPONSE REQUIREMENTS

Existing state law and state policy require agencies to carry out the following incident management and breach response responsibilities:

1. Promptly investigate incidents involving the improper dissemination of information, or the loss, damage, or misuse of information assets. Incident management includes the formulation and adoption of an incident management plan that provides for the timely assembly of appropriate staff and their response to, reporting on, and recovery from a variety of incidents. Incident management also includes the application of lessons learned, and the determination of, and implementation of appropriate corrective actions to prevent or mitigate the risk of similar occurrences. (SAM sections 5350 and 8643).
2. Immediately report any security incident, including any breach of personal information as defined by Civil Code Section 1798.3 (includes non notice-triggering personal information) to the California Highway Patrol's Emergency Notification and Tactical Alert Center (ENTAC) at (916) 657-8287. (SAM sections 5350.2 and 8643, and Government Code section 14613.7).
3. Notify individuals when a breach of their personal information was, or is reasonably believed to have been acquired by an unauthorized person. Civil Code section 1798.29, sub-sections (e) through (f) specifically require notification to individuals in breaches of unencrypted computerized personal information of a specified type (which is referred to as "notice-triggering" information). Notice-triggering information includes the first name or first initial and last name in combination with any one or more of the following data elements:
 - a. Social Security number.
 - b. Driver's license number or California Identification Card number.
 - c. Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
 - d. Medical information (as defined).
 - e. Health insurance information (as defined).

While Civil Code section 1798.29 focuses on computerized data elements, the current state policy requires notification when a breach of an individual's personal information involves these same "notice-triggering" data elements or otherwise exposes individuals to substantial risk of harm, regardless of the data medium. (SAM section 5350.3).

4. Prepare and submit a written follow-up Agency Security Incident Report (SIMM 65C form) to OISPP, within ten (10) business days from the date of initial reporting to ENTAC, that describes what occurred, what steps or actions were taken to mitigate the risk of recurrence, and the cost associated with both the incident and any corrective action. (SAM sections 5350.3 and 5360.1).

STATE ADMINISTRATIVE MANUAL

NEW BREACH RESPONSE REQUIREMENTS AND PROCEDURAL DIRECTIVE

Effective immediately, any breach notification issued by a state agency, or the agency's contractor or custodian, in conjunction with a breach of state owned information assets must be submitted to OISPP for review and approval prior to its dissemination or release to affected individual(s). This process will help ensure consistency and clarity of notifications, as well as the accuracy of the privacy protection procedures and instructions provided in the notification.

While the decision to notify individuals ultimately rests with agency heads; when a breach occurs, agencies must seek guidance from, and consult with, the OISPP, as well as the agency's Legal Office, Information Security Officer and Privacy Officer/Coordinator regarding the means by which individuals will be notified.

In support of this policy, and to ensure state agencies understand their responsibilities for making notification to individuals affected by a breach, OISPP has also issued a new State Information Management Manual (SIMM) document as a procedural directive, entitled *SIMM 65D-Personal Information Breach Notification: Requirements and Decision-Making Criteria for State Agencies*. This document outlines the current breach notification requirements; the requirements for developing a protocol for internal notifications; identifies decision making criteria that must be included in a decision making procedure; and, provides a comprehensive checklist and notification templates to assist state agencies with response to a breach of personal information.

ROLES AND RESPONSIBILITIES

All state agencies and their employees, including contractors, state data custodians, and volunteer service workers, are required to adhere to these policies. Furthermore, state agencies are required to acknowledge the extent to which they are meeting these requirements in their Agency Risk Management and Privacy Program Certification, submitted annually to the OISPP. (SAM sections 5300.3, 5315.1, 5320 through 5320.4, and 5360.1).

"Agencies" includes all state agencies, departments, offices, boards, commissions, institutions, and special organizational entities unless otherwise specifically exempted by law or state policy reference. (SAM section 5300.2).

SAM AND SIMM UPDATES

Changes to the SAM will be forthcoming and will appear in the next update of the SAM. To see the substance of this policy change, you may refer to the following described documents on the OISPP Web site at: www.infosecurity.ca.gov:

1. Advance Copy of Changes to State Administrative Manual sections 5320.2, 5320.3, 5320.5, 5350, and 5350.4
2. SIMM 65D-Security Breach Involving Personal Information: Requirements and Decision Making Criteria for State Agencies

QUESTIONS

Questions regarding this Memo and related documents may be directed to OISPP at (916) 445-5239 or by email at Security@oispp.ca.gov

SIGNATURE

Original signed by Michael Saragoza, Undersecretary
For Rosario Marin, Secretary

Rosario Marin, Secretary
State and Consumer Services Agency

BUDGET SUMMARY

Community Development Department, City of Los Angeles

Legal Name of Agency:

Echo Park Silverlake People's Child Care Center

Schedule of Costs									
Cost Classification		CITY SHARE			Program Income	Non-Federal Matching Share	Total Estimated Costs	Fiscal Notes	
		Total City	Breakdown						
No.	Name		Admin	Program					
1000	PERSONNEL COSTS	72,500	0	72,500	0	0	72,500		
2000	OTHER COSTS	0	0	0	0	0	0		
2100	PARTICIPANT-RELATED COSTS	0	0	0	0	0	0		
2200	SUBCONTRACTOR(S) COSTS	0	0	0	0	0	0		
3000	FURNITURE & EQUIPMENT	0	0	0	0	0	0		
4000	INDIRECT COSTS	0	0	0	0	0	0		
5000	CAPITAL COSTS	0	0	0	0	0	0		
TOTAL COSTS		72,500	0	72,500	0	0	72,500		

Spending Plan									
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
PLAN FOR THE MONTH	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042
TOTAL - CUMULATIVE	6,042	12,084	18,126	24,168	30,210	36,252	42,294	48,336	54,378
PLAN FOR THE MONTH	6,042	6,042	6,038	0	0	0	0	0	72,500
TOTAL - CUMULATIVE	60,420	66,462	72,500	72,500	72,500	72,500	72,500	72,500	72,500

BUDGET - STANDARD, Budget Summary (Rev. Feb 2005), City of Los Angeles, Community Development Department

BUDGET DETAIL

Community Development Department, City of Los Angeles

Legal Name of Agency: **Echo Park Silverlake People's Child Care Center**

Cost Category / Line Item	ESTIMATED COSTS - BY LINE ITEM					
	City of LA Share			Program Income (D)	Non-Federal Matching Share (E)	Grand Total Estimated Costs (F) (A + D + E)
	Total (A) (B + C)	Breakdown				
		Admin (B)	Program (C)			
#1000 - PERSONNEL COSTS:						
SALARIES	72,500	0	72,500			72,500
FRINGE BENEFITS	6,886	0	6,886			6,886
SUBTOTAL: #1000 - PERSONNEL COSTS	79,386	0	79,386	0	0	79,386
#2000 - OTHER COSTS:						
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
SUBTOTAL: #2000 - OTHER COSTS	0	0	0	0	0	0
#2100 - PARTICIPANT-RELATED COSTS:						
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
	0					0
SUBTOTAL: #2100 - PARTICIPANT-RELATED COSTS	0	0	0	0	0	0
#2200 - SUBCONTRACTOR COSTS:						
	0					0
	0					0
	0					0
	0					0
	0					0
SUBTOTAL: #2200 - SUBCONTRACTOR COSTS	0	0	0	0	0	0
#3000 - FURNITURE & EQUIPMENT COSTS:						
	0					0
	0					0
	0					0
	0					0
SUBTOTAL: #3000 - FURNITURE & EQUIPMENT COSTS	0	0	0	0	0	0
#4000 - INDIRECT COSTS:						
	0					0
	0					0
SUBTOTAL: #4000 - INDIRECT COSTS	0	0	0	0	0	0
#5000 - CAPITAL COSTS:						
	0					0
	0					0
SUBTOTAL: #5000 - CAPITAL COSTS:	0	0	0	0	0	0
TOTAL	79,386	0	79,386	0	0	79,386
Percentage to Total (City Share)	100.0%	0.0%	100.0%			

Legal Name of Agency: Echo Park Silverlake People's Child Care Center

3320.666667

SPENDING PLAN WORKSHEET

Community Development Department, City of Los Angeles

Legal Name of Agency: **Echo Park Silverlake People's Child Care Center**

Cost Classification		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
No.	Name									
1000	PERSONNEL COSTS	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042
2000	OTHER COSTS									
2100	PARTICIPANT-RELATED COSTS									
2200	SUBCONTRACTOR(S) COSTS									
3000	FURNITURE & EQUIPMENT COSTS									
4000	INDIRECT COSTS									
5000	CAPITAL COSTS									
TOTAL PLAN FOR THE MONTH		6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042
TOTAL - CUMULATIVE		6,042	12,084	18,126	24,168	30,210	36,252	42,294	48,336	54,378

Cost Classification		Month 10	Month 11	Month 12						Total
No.	Name									
1000	PERSONNEL COSTS	6,042	6,042	6,038						72,500
2000	OTHER COSTS									0
2100	PARTICIPANT-RELATED COSTS									0
2200	SUBCONTRACTOR(S) COSTS									0
3000	FURNITURE & EQUIPMENT COSTS									0
4000	INDIRECT COSTS									0
5000	CAPITAL COSTS									0
TOTAL PLAN FOR THE MONTH		6,042	6,042	6,038	0	0	0	0	0	72,500
TOTAL - CUMULATIVE		60,420	66,462	72,500	72,500	72,500	72,500	72,500	72,500	

BUDGET - STANDARD, Spending Plan Worksheet (Rev. Feb 2005), City of Los Angeles, Community Development Department