

CONTRACT SUMMARY SHEET

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

DATE: 04/19/2024

FROM (DEPARTMENT): Mayor's Office of Community Safety

CONTACT PERSON: Lisa Loftin PHONE: lisa.loftin@lacity.org

CONTRACT NO.: C-139200

COUNCIL FILE NO.: 22-0600, 23-0735

ADOPTED BY COUNCIL: ; 11/27/23
DATE

APPROVED BY BPW: _____
DATE

- ☐ NEW CONTRACT
- ☐ AMENDMENT NO. 4
- ☐ ADDENDUM NO. _____
- ☐ SUPPLEMENTAL NO. _____
- ☐ CHANGE ORDER NO. _____

CONTRACTOR NAME: Urban Alchemy

TERM OF CONTRACT: 10/06/21 THROUGH: 06/30/24

TOTAL AMOUNT: Not-to-Exceed Amount \$19,330,000

PURPOSE OF CONTRACT:

Fourth Amendment and Restated Agreement between the City of Los Angeles and Urban Alchemy regarding the operation of the alternative response program known as Crisis and Incident Response through Community-led Engagement ("CIRCLE"). The Amendment extends the Scope of Work to include the Harbor area and the budget increased by an additional 1.5M with a total not-to-exceed \$19,330,000.

FOURTH AMENDED AND RESTATED AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND URBAN ALCHEMY TO DEVELOP AND IMPLEMENT AN ALTERNATIVE 911 RESPONSE PROGRAM

This Fourth Amended and Restated Agreement ("Agreement") is entered into by and between the City of Los Angeles, a municipal corporation ("CITY"), acting by and through the Mayor's Office of Community Safety ("MAYOR"), and Urban Alchemy, a nonprofit corporation ("CONTRACTOR") (Hereafter "Party" or "Parties"), concerning the continued implementation of the alternative 911 response program.

- A. WHEREAS, the CITY desires to continue to improve the quality of life in urban centers through improving the well-being and life outcomes of the most vulnerable and underserved populations by providing much needed services and resources to the homeless population; and
- B. WHEREAS, the Los Angeles City Council ("Council") and the Mayor approved a program, known as Crisis and Incident Response through Community-led Engagement ("CIRCLE") (CF#22-0600, CF#23-0735), to divert 911 calls involving non-violent incidents related to persons experiencing homelessness ("PEH") and prevent the need for 911 law enforcement intervention through the presence of crisis intervention teams; and
- C. WHEREAS, the CIRCLE program has been successfully piloted by CONTRACTOR in the Venice and Hollywood communities, which have some of the highest concentrations of unsheltered homelessness and 911 calls involving PEH; and
- D. WHEREAS, the CIRCLE program will continue to deploy 24/7 crisis teams to respond to non-emergency 911 calls related to PEH and embed teams in "hot spots" within the program areas to provide preventative de-escalation, proactive outreach, and referrals to resources and services; and
- E. WHEREAS, CITY believes that CONTRACTOR'S continued involvement will improve the City's interactions with PEH, decrease interactions between PEH and law enforcement for non-emergency calls (which may lead to incarceration), and increase referrals to services; and
- F. WHEREAS, it is in CITY'S best interest for CONTRACTOR to provide continued services because doing so allows CITY to leverage CONTRACTOR'S unique knowledge and expertise, and allows CITY to implement the expansion of the program rapidly; and
- G. WHEREAS, CONTRACTOR utilizes formerly homeless and incarcerated outreach workers, whose unique skills include the ability to effectively de-escalate potential conflicts associated with issues between individual members of the homeless community; and
- H. WHEREAS, CONTRACTOR will continue to provide non-emergency response, homeless outreach, referrals to supportive services, and de-escalation in the program areas, all of which will be implemented to reduce loss of life and property, decrease interactions between law enforcement and PEH, improve interactions between the

community and PEH, and improve long-term health and well-being outcomes for PEH in the program areas; and

- I. WHEREAS, CONTRACTOR has represented that it is willing and able to continue to provide the needed goods and services, and CITY desires to engage CONTRACTOR for this purpose; and
- J. WHEREAS, CONTRACTOR'S services are specialized in nature and temporary and occasional in character; and
- K. WHEREAS, a request for proposals was released on July 2, 2021, and CONTRACTOR was selected as the most qualified proposer to perform the services required to implement and execute the CIRCLE program; and
- L. WHEREAS, effective, October 6, 2021, City and Contractor entered into Agreement No. **C-139200**; and
- M. WHEREAS, on or about November 3, 2021, City and Contractor entered into a First Amended and Restated Agreement to provide for the advancement of certain funds and to make other changes deemed necessary by the parties; and
- N. WHEREAS, on or about July 6, 2022, the parties entered into a Second Amended and Restated Agreement to replace Attachment D - Scope of Work with Attachment B- Scope of Work (2022) and make certain other changes deemed necessary by the parties; and
- O. WHEREAS, on or about August 2023, the Parties entered into this Third Amended and Restated Agreement to: (a) Increase the FY 22-23 budget by an additional Two Million Six Hundred Thousand (\$2,600,000) for a grand total of Ten Million Five Hundred and Thirty Thousand Dollars (\$10,530,000), (b) Increase the FY 23-24 budget by an additional Seven Million Three Hundred Thousand Dollars (\$7,300,000) for a grand total of Seventeen Million Eight Hundred and Thirty Thousand Dollars (\$17,830,000), and (c) Extend the contract performance period until the end of the next fiscal year, June 30, 2024, and make certain other changes deemed necessary by the parties; and
- P. WHEREAS, the parties now desire to enter into this Fourth Amended and Restated Agreement to: (a) Increase the FY 23-24 budget by an additional One Million Five Hundred Thousand Dollars (\$1,500,000.00) for a grant total of Nineteen Million Three Hundred and Thirty Thousand Dollars (\$19,330,000), and (b) extend the scope of work to include the Harbor area, (c) and make certain other changes deemed necessary by the parties. The following compensation is the total of the planned expenditures for the periods(s) indicated as set forth by and incorporated herein by reference with funding schedule as follows:

Time of Performance	Funding Source	Funding Amount
FY 2021 - 2022	General Funds	\$2,600,000.00

FY 2022 - 2023	General Funds	\$5,330,000.00
FY 2022 - 2023	General Funds	\$2,600,000.00
FY 2023 - 2024	General Funds	\$7,300,000.00
FY 2023 - 2024	General Funds	\$1,500,000.00

TOTAL \$19,330,000.00
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Q. WHEREAS, CONTRACTOR warrants and represents those funds provided by CITY pursuant to this Agreement will only be used for the activities described herein; and

NOW THEREFORE, in consideration of the mutual covenants set forth herein and the mutual benefits to be derived therefrom, CITY and CONTRACTOR agree as follows:

1. TERM OF AGREEMENT

The term of this Agreement will commence on October 6, 2021 and terminate on June 30, 2024;

2. CONTRACTOR'S ACTIVITIES - GENERAL

CONTRACTOR will continue to utilize funds procured under this Agreement to defray the operational costs associated with providing a response to non-violent 911 and non-emergency calls for service involving PEH in the Hollywood, Downtown Los Angeles, East Los Angeles, South Los Angeles, San Fernando Valley, West Los Angeles and Harbor program areas, including the deployment of embedded teams located in the designated areas stated above that will conduct outreach, build a rapport with the unhoused community, de-escalate situations as they arise, and create referrals to local service providers, as set forth more fully in the Scope of Work (Attachment B), which is attached hereto and incorporated herein by reference.

Staff will not be armed or perform any law enforcement duties. Staff will wear CIRCLE-branded uniforms approved by the CITY. Allowable costs will include uniforms, salaries, equipment purchases, including without limitation software, software licenses, electronics, wireless internet service, telephones, telephone lines, vehicle rentals, printing/postage, office supplies, and field, medical, and client supplies, including but not limited to hygiene supplies, food, water, clothing, and blankets. Funds procured under this Agreement shall not be utilized toward any construction and any matters which are subject to the State of California and United States Federal prevailing wage statutes and regulations. CONTRACTOR will obtain all necessary licenses and permits and shall suitably inform the public that CONTRACTOR'S activities are funded by CITY. All equipment purchased with funds paid by the City shall be returned to City within thirty (30) days of the termination or expiration of this Agreement.

3. AMOUNT OF PAYMENT

CONTRACTOR will be paid by CITY for allowable costs incurred in engaging in the activities set forth in this Agreement in a total amount not to exceed Nineteen Million Three Hundred and Thirty Thousand Dollars (\$19,330,000.00) based upon the rates set forth in the approved budget.

Notwithstanding any other provisions of this Agreement, including any exhibits or attachments incorporated therein, and in order for CITY to comply with its governing legal requirements, CONTRACTOR hereby agrees and acknowledges that CITY shall have no obligation to make any payments to CONTRACTOR unless CITY shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in said Agreement. CONTRACTOR agrees that any services provided by CONTRACTOR, purchases made by CONTRACTOR or expenses incurred by CONTRACTOR in excess of said appropriation(s) shall be free and without charge to CITY and CITY shall have no obligation to pay for said services, purchases or expenses. CONTRACTOR shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until CITY appropriates additional funds for this Agreement.

4. REQUEST FOR ADVANCE PAYMENT

- a. Upon this Agreement becoming effective, CONTRACTOR may submit a request for advance payment in a total amount not to exceed \$1,500,000 ("Request for Advance Payment") by completing and submitting ATTACHMENT C – Request for Advance Payment, which is attached hereto and incorporated herein by reference. Once the Request for Advance Payment has been approved by CITY and the advance payment has been provided to CONTRACTOR, CONTRACTOR will apply the advance payment on a pro-rated basis (i.e., equal amounts of \$125,000 per month) to invoices for the twelve (12) months of the Contract following the disbursement of the advance payment.
- b. The Request for Advance Payment submitted by CONTRACTOR must include a budget that indicates the estimated costs to be incurred by CONTRACTOR for which payment is requested. The Request for Advance Payment must be submitted in a form substantially similar to Attachment C, and must be signed under PENALTY OF PERJURY by CONTRACTOR'S representative designated in this Agreement.

5. PAYMENT AND INVOICING

- a. CONTRACTOR shall, on a monthly basis, submit invoices for all services provided that month. Such invoice shall reflect a credit for any advance payment amounts not yet expended.
- b. Invoices must be submitted by email to:

Shannon.Prior@lacity.org
Travon.Moss@lacity.org

- c. To ensure that services provided under personal services contracts are measured against services as detailed in the Agreement, the Controller of the City of Los Angeles has developed a policy requiring that specific supporting documentation be submitted with invoices.
- d. CONTRACTOR shall submit invoices in a format prescribed by CITY that conforms to CITY standards and includes, at a minimum, the following information:
 - i. Name and address of Contractor
 - ii. Name and address of City department being billed
 - iii. Date of invoice and period covered
 - iv. Contract number or authority (purchase order) number
 - v. Contractor's Business Tax Registration Number
 - vi. Description of completed task and amount due for task with appropriate and complete supporting documentation, to include payroll records for assigned staff
 - vii. Payment terms, total due and due date
 - viii. The advance payment amounts applied to the invoice and the outstanding amount of unexpended Advance Payment amounts as of the date of the invoice
 - ix. Certification by a duly authorized officer
 - x. Discount and terms (if applicable)
 - xi. Remittance Address (if different from Contractor's address)
- e. All invoices must be submitted electronically and will be on CONTRACTOR'S letterhead, contain CONTRACTOR'S official logo, or other unique and identifying information such as the name and address of CONTRACTOR. Evidence that tasks have been completed, in the form of a report, brochure, or photograph, shall be attached to all invoices. Invoices must be submitted on a calendar month basis, within thirty (30) days of service, and will be payable to CONTRACTOR no later than thirty (30) days after acknowledged receipt of a complete invoice. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by the CITY'S Fiscal Officer. Notwithstanding the foregoing, CITY shall not be responsible for any late fees, late charges, penalties, or interest.
- f. In no event shall payment be made prior to CITY verifying and approving that: 1) the services were received; 2) the work was approved; and 3) a full and complete invoice has been submitted. Invoices submitted must be accompanied by a report detailing the staff assigned to CITY'S account for that month. Such staffing reports shall include the staff member's name, title, date of assignment to position, date of separation or absence from position, and identification of any temporary employees and how fee adjustments, if any, were derived.
- g. CITY reserves the right to audit staffing reports and adjust billings to recover overpayments, if any. In order to facilitate such audits, CONTRACTOR shall provide timesheets and/or payroll records upon CITY'S request. All CONTRACTOR costs associated with the audit and response shall be the CONTRACTOR'S responsibility. Such audit rights shall be in addition to, and shall not limit, any of CITY'S other audit rights under this Agreement.
- h. Invoices and supporting documentation must be prepared at the sole expense and responsibility of CONTRACTOR. CITY shall not compensate CONTRACTOR for costs

incurred in invoice preparation. CITY may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. CONTRACTOR agrees to furnish any documentation or information requested by CITY for the purpose of seeking cost reimbursement from FEMA. CONTRACTOR agrees to maintain all documents and records and to adhere to all processes required for reimbursement by FEMA.

- i. Subcontractors' Requirements. Tasks that are completed by subcontractors must be supported by subcontractor invoices, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.
- j. Most Favored Public Entity. If CONTRACTOR's prices decline or should at any time during the term of the Agreement provide the same services under similar conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in the Agreement, then such lower price shall immediately be extended to CITY.
- k. ***Failure to adhere to these provisions may result in nonpayment or non-approval of demands, pursuant to Charter Section 262(a)***, which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and to approve demands before they are drawn on the City Treasury.
- l. No later than August 1, 2024, CONTRACTOR must submit a CLOSEOUT STATEMENT prepared on the form attached hereto as ATTACHMENT D - and either a comprehensive unaudited financial statement or a copy of an audit report prepared by an independent Certified Public Accountant (CPA). Said CLOSE-OUT STATEMENT must include documentation, which supports expenditure of any costs, which have not previously been submitted to and approved by the CITY's representative.
- m. Any portion of any payment made and not expended or obligated by CONTRACTOR or not approved by CITY'S representative must be paid back to the CITY no later than August 1, 2024. Such payment will accompany the CLOSE-OUT STATEMENT.
- n. CONTRACTOR must submit any REQUEST FOR PAYMENT during the period commencing from the effective date of the Agreement up to the due date of the CLOSE-OUT STATEMENT. CITY will have no obligation to pay any REQUEST FOR PAYMENT submitted by CONTRACTOR or its officers, agents, employees, assigns, or successors in interest before or after said period.
- o. CITY will not be obligated to fund CONTRACTOR for any subsequent fiscal year appropriations which may be made by CITY's Council until such CLOSE-OUT STATEMENT and financial report has been submitted to and approved by CITY's representative.
- p. CONTRACTOR must continue to be in compliance with the CIRCLE fiscal policies set forth herein and in the CIRCLE Fiscal Policy Manual. A copy of which is attached hereto as ATTACHMENT E and incorporated herein by reference.

6. MONIES TO BE USED FOR CURRENT EXPENSES

The monies expended by CITY hereunder are to be used by CONTRACTOR to meet expenses incurred during the term of this Agreement. CONTRACTOR may not submit a REQUEST FOR PAYMENT, nor will CITY pay, any portion of any liability of the CONTRACTOR existing prior to or subsequent to the term of this Agreement.

7. ESTABLISHMENT OF SEPARATE ACCOUNTS AND RECORDS

Any and all funds disbursed by CITY to CONTRACTOR as advance payments and any interest and proceeds generated thereby will be held in trust for the purposes of this Agreement and must be placed in a separate account solely for those funds ("Advance Payment Account"), and all allowable expenditures will be drawn from that account. Contractor shall, with each invoice submitted, provide a bank statement reflecting the Advance Payment Account balance. Any funds remaining in said account which are in excess of the allowable expenditures as provided herein must be returned to CITY within forty-five (45) calendar days after the termination date of this Agreement.

8. BOOKS OF ACCOUNT-FINANCIAL RECORDS

CONTRACTOR will maintain and preserve books of account and records of financial transactions regarding the expenditure of CITY funds pursuant to this Agreement. Said books and records must accurately reflect monies received from CITY and any interest earned thereon, by date and amount, and CITY monies expended by name of vendor, description of goods or services purchased, date of purchase, and price. CONTRACTOR will retain such books and records for at least three years following the expiration or termination date of this Agreement. At any time during the term of this Agreement, or within three years following the final payment hereunder or the expiration or termination date of the Agreement, whichever date is later, said books and records shall be subject to examination and audit by authorized CITY personnel or by CITY'S Representative.

9.. NOTICES

If the name of the person(s) designated to receive the notices, demands, or communications or the address of such person(s) is changed, written notice must be provided as described in this Agreement within ten (10) business days of such changes.

The following addresses will serve as the places to which notices and other correspondence between the Parties will be sent:

CONTRACTOR'S address:

Urban Alchemy
Attn: Lena Miller, Bayron Wilson, Mike Anderer
1035 Market Street Suite 150
San Francisco CA 94103

CITY'S address:

City of Los Angeles
Office of the Mayor
Attn: Karren Lane
Deputy Mayor, Office of Community Safety

Room 303
200 North Spring Street
Los Angeles, CA 90012

Notices, demands and communications to be given hereunder by either Party must be made in writing and may be affected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

11. POLITICAL ACTIVITY AND LOBBYING PROHIBITED

None of the funds furnished by CITY hereunder shall be used to support or defeat any candidate in any public election, nor to support or defeat any legislation, initiative, referendum, constitutional provision, administrative regulation, or administrative ruling, nor for any other form of political activity or lobbying.

12. STANDARD PROVISIONS

CONTRACTOR agrees to comply with the Standard Provisions for City Contracts (Rev. 9/22) [v.1], a copy of which is attached hereto as ATTACHMENT A and incorporated herein by reference.

13. AMENDMENTS

Any change in the terms of this Agreement, including changes in the services to be performed by CONTRACTOR, and any increase or decrease in the amount of compensation which are agreed to by CITY and CONTRACTOR shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the Parties thereto.

14. COMPLETE AGREEMENT

This Agreement contains the full and complete Agreement between the two Parties. No verbal agreement nor conversation with any officer or employee of either Party shall affect or modify any of the terms and conditions of this Agreement. The Parties acknowledge that they have had the opportunity to consult with counsel of their choosing and that they have read and understood this Agreement.

15. BORDER WALL BID DISCLOSURE

CONTRACTOR shall comply with Los Angeles Administrative Code ("LAAC") Section 10.50 et seq., "Disclosure of Border Wall Contracting." CITY may terminate this Agreement at any time if CITY determines that CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

16. NUMBER OF PAGES AND ATTACHMENTS

This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement includes ten (10) pages, one appendix and five attachments which constitute the entire understanding and Agreement of the Parties. This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of

which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The Parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by CITY) and sent by email shall be deemed original signatures.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and the Contractor have caused this Third Amendment to be executed by their duly authorized representatives.

<p>APPROVED AS TO FORM:</p> <p>HYDEE FELDSTEIN SOTO, CITY ATTORNEY</p> <p>By <u>Barak Vaughn</u></p> <p>Barak Vaughn, Deputy City Attorney</p> <p>Date <u>04/22/2024</u></p>	<p>FOR THE CITY OF LOS ANGELES</p> <p>KAREN BASS, MAYOR</p> <p>By <u>Karen Bass</u></p> <p>Karen Bass, Mayor</p> <p>Date <u>5/6/2024</u></p>
<p>ATTEST:</p> <p>Holly Wolcott, CITY CLERK</p> <p>By <u>Holly Wolcott</u></p> <p>Deputy City Clerk</p> <p>Date <u>5/6/24</u></p> 	<p>FOR URBAN ALCHEMY</p> <p>DocuSigned by:</p> <p>By <u>Dr. Lena Miller</u></p> <p>1DAE637009A2493</p> <p>Dr. Lena Miller</p> <p>Print Name _____</p> <p>Officer Title <u>Chief Executive officer</u></p> <p>Date <u>4/23/2024</u></p> <p>ATTEST:</p> <p>DocuSigned by:</p> <p>By <u>LOLA WHITTLE</u></p> <p>305D959C6156429...</p> <p>LOLA WHITTLE</p> <p>Print Name _____</p> <p>Officer Title <u>Board President</u></p> <p>Date <u>4/24/2024</u></p>
<p>(Contractor's Corporate Seal or Notary)</p>	

Internal Revenue Service ID Number: _____ Council File/CAO File Number CF#22-0600, CF#23-0735
 Date of Approval _____ Said Agreement is Number C-139200 of City Contract _____

Attachments:

- A. Standard Provisions
- B. Scope of Work
- C. CIRCLE Fiscal Policy Manual
- D. Request for Advance Payment
- E. Close out Statement

ATTACHMENT A

Standard Provisions for City Contracts (Rev. 10/21) [v.4]

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Applicable Law, Interpretation and Enforcement

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**.

In any action arising out of this Contract, **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 Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. Time of Effectiveness

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-4. Integrated Contract

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in the provisions of PSC-5 hereof.

PSC-5. Amendment

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-3.

PSC-6. Excusable Delays

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a Subcontractor of **CONTRACTOR** shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them. In such case, **CONTRACTOR** shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit **CONTRACTOR** to perform timely. As used in this Contract, the term "Subcontractor" means a subcontractor at any tier.

In the event **CONTRACTOR'S** delay or failure to perform arises out of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-7. Waiver

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-8. Suspension

At **CITY'S** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon receipt of the notice of suspension, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-9. Termination**A. Termination for Convenience**

CITY may terminate this Contract for **CITY'S** convenience at any time by providing **CONTRACTOR** thirty days written notice. Upon receipt of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-6, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may give **CONTRACTOR** written notice of the default. **CITY'S** default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of **CITY**. Additionally, **CITY'S** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the default, which shall be submitted to **CITY** within the time period allowed by **CITY**. At **CITY'S** sole discretion, **CITY** may accept or reject **CONTRACTOR'S** plan. If the default cannot be cured or if **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If the default under this Contract is due to **CONTRACTOR'S** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Contractor's obligation to suspend performance of

services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY'S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY'S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.
5. Acts of Moral Turpitude
 - a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.
 - c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR'S** ability to perform under the terms of this Contract.
 - d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.
- 6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.
- 7. 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 Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.
- 8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **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 **CITY**.

PSC-11. Contractor's Personnel

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. **CITY** has the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** shall remove personnel from performing work under this Contract if requested to do so by **CITY**.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR'S** Subcontractors, and **CITY** reserves the right to request replacement of any

Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR'S** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

PSC-12. Assignment and Delegation

CONTRACTOR may not, unless it has first obtained the written permission of **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR'S** performance of this Contract.

PSC-14. Claims for Labor and Materials

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract 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 or intangible matter produced by **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-16. Retention of Records, Audit and Reports

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by **CITY**, (2) the expiration of this Contract or (3) termination of this Contract. The records will be subject to examination and audit by authorized **CITY** personnel or **CITY'S** representatives at any time. **CONTRACTOR** shall provide any reports requested by **CITY** regarding

performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY'S** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract.

PSC-17. Bonds

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 *et seq.*, as amended from time to time.

PSC-18. 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** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages 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 an act, error, or omission by **CONTRACTOR**, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-19. Intellectual Property Indemnification

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its Subcontractors, in performing the work under this Contract; or (2) as a result of **CITY'S** actual or intended use of any Work Product (as defined in PSC-21) furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive

and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

PSC-21. Ownership and License

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this Contract including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by **CONTRACTOR** or its Subcontractors under this Contract (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

CONTRACTOR agrees that a monetary remedy for breach of this Contract may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

For all Work Products delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure a grant, at no cost to **CITY**, for a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract shall include this provision to contractually bind its Subcontractors performing work under this Contract such that **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein.

PSC-22. Data Protection

- A. **CONTRACTOR** shall protect, using the most secure means and technology that is commercially available, **CITY**-provided data or consumer-provided data acquired in the course and scope of this Contract, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). **CONTRACTOR** shall notify **CITY** in writing as soon as reasonably feasible, and in any event within twenty-four hours, of **CONTRACTOR'S** discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. **CONTRACTOR** shall begin remediation immediately. **CONTRACTOR** shall provide daily updates, or more frequently if required by **CITY**, regarding findings and actions performed by **CONTRACTOR** until the Data Breach or Security Incident has been effectively resolved to **CITY'S** satisfaction. **CONTRACTOR** shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with **CITY**. At **CITY'S** sole discretion, **CITY** and its authorized agents shall have the right to lead or participate in the investigation. **CONTRACTOR** shall cooperate fully with **CITY**, its agents and law enforcement.
- B. If **CITY** is subject to liability for any Data Breach or Security Incident, then **CONTRACTOR** shall fully indemnify and hold harmless **CITY** and defend against any resulting actions.

PSC-23. Insurance

During the term of this Contract and without limiting **CONTRACTOR'S** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY'S** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-24. Best Terms

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the best terms, prices, and discounts that are offered to any of **CONTRACTOR'S** customers for similar goods and services provided under this Contract.

PSC-25. 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.

PSC-26. Mandatory Provisions Pertaining to Non-Discrimination in Employment

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Equal Employment Practices" provisions of this Contract.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Affirmative Action Program" provisions of this Contract.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, **CONTRACTOR** shall fully comply with all applicable State and Federal employment reporting requirements. Failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract. Failure of **CONTRACTOR** or principal owner to cure

the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-28. Living Wage Ordinance

CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 *et seq.*, as amended from time to time. **CONTRACTOR** further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-29. Service Contractor Worker Retention Ordinance

CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

- A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

CONTRACTOR understands that **CITY** is relying upon these certifications and representations as a condition to funding this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-31. Contractor Responsibility Ordinance

CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

PSC-32. Business Inclusion Program

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Business Assistance Virtual Network ("BAVN") at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall perform subcontractor outreach activities through BAVN. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of **CITY**.

PSC-33. Slavery Disclosure Ordinance

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-34. First Source Hiring Ordinance

CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-35. Local Business Preference Ordinance

CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-36. Iran Contracting Act

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with **CITY** for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

PSC-37. Restrictions on Campaign Contributions and Fundraising in City Elections

Unless otherwise exempt, if this Contract is valued at \$100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR'S** principals, and **CONTRACTOR'S** Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons")

shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000 for performance under this Contract:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract # _____ . Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“**CITY**”) officials and candidates for elected **CITY** office for twelve months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

PSC-38. Contractors’ Use of Criminal History for Consideration of Employment Applications

CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-39. Limitation of City’s Obligation to Make Payment to Contractor

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services,

provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

PSC-40. Compliance with Identity Theft Laws and Payment Card Data Security Standards

CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act ("FACTA"), including its requirement relating to the content of transaction receipts provided to Customers. **CONTRACTOR** also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards ("PCI DSS"). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA.

PSC-41. Compliance with California Public Resources Code Section 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, **CONTRACTOR** shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by **CITY**. **CONTRACTOR** is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of **CONTRACTOR** working on premises to pass a fingerprint and background check through the California Department of Justice at **CONTRACTOR'S** sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

PSC-42. Possessory Interests Tax

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-43. Confidentiality

All documents, information and materials provided to **CONTRACTOR** by **CITY** or developed by **CONTRACTOR** pursuant to this Contract (collectively "Confidential Information") are confidential. **CONTRACTOR** shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by **CITY** or as required by law. **CONTRACTOR** shall immediately notify **CITY** of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

PSC-44. COVID-19

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

Form Gen. 133 (Rev.10/17)

EXHIBIT 1**INSURANCE CONTRACTUAL REQUIREMENTS**

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS**CONTRACTOR AGREES THAT:**

1. Additional Insured/Loss Payee. The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. Notice of Cancellation. All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. Primary Coverage. CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. Modification of Coverage. The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. Failure to Procure Insurance. All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

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

6. Workers' Compensation. By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

Form Gen. 133 (Rev. 10/17)

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Required Insurance and Minimum Limits

Name: Date:

Agreement/Reference:

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.

Workers' Compensation (WC) and Employer's Liability (EL)

WC Statutory
EL

Waiver of Subrogation in favor of City Longshore & Harbor Workers
Jones Act

General Liability

Products/Completed Operations Sexual Misconduct
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

Property Insurance (to cover replacement cost of building - as determined by insurance company)

All Risk Coverage Boiler and Machinery
Flood Builder's Risk
Earthquake

Pollution Liability

Surety Bonds - Performance and Payment (Labor and Materials) Bonds

Crime Insurance

Other:

ATTACHMENT B

SCOPE OF WORK

1. Specific Services

a. Alternative 911 Crisis Response Teams (CRTs):

- i. Non-imminent risk, non-violent, and non-criminal calls related to persons experiencing homelessness (PEH) answered by Los Angeles Police Department (LAPD) 911 dispatch operators will be diverted to CIRCLE crisis response teams, including, but not limited to calls involving:
 1. Welfare and wellbeing checks;
 2. Indecent exposure or lack of adequate clothing;
 3. Loitering or trespassing;
 4. Noise complaint;
 5. Syringe disposal;
 6. Requests for assistance;
 7. Transport to shelter, decompression center, or other housing solutions;
 8. Connections to substance abuse or supportive services;
 9. Administration of Naloxone to treat known or suspected opioid overdose;
 10. Conflict resolution and de-escalation; and
 11. Resource connection and referrals.
- ii. Teams will also respond to non-imminent risk, non-violent, and non-criminal referrals generated in the field by LAPD or other City emergency responders.
- iii. CONTRACTOR will maintain a 24/7, non-public telephone number dedicated to receiving calls transferred from CITY'S 911 dispatch system. CONTRACTOR will ensure that the CIRCLE call center is adequately staffed with trained dispatch operators, with at minimum two operators on duty and available to answer calls at all times, to ensure minimum call wait times.
- iv. Teams will respond to diverted calls within the program areas 24/7, including the management, triage, and prioritization of calls.
- v. Teams may include crisis workers with lived experience, homeless outreach workers, and must include a licensed mental or behavioral health clinician.
- vi. Teams will be unarmed and will not perform any law enforcement duties or responsibilities.
- vii. Teams will refer dangerous or medically urgent calls to appropriate agencies.
- viii. Duties of teams will also include connections and referrals to services and housing solutions; and enrollment of unhoused individuals in the Homeless Management Information System (HMIS); documentation of interactions, assessments, services provided, and referrals; and the updating of client information in HMIS.

- ix. CITY'S 911 dispatch operators will screen incoming 911 calls involving PEH and make a determination as to whether they meet the predetermined criteria for a referral to CONTRACTOR. For calls that meet these criteria, the 911 dispatch operators will transfer the person reporting to CONTRACTOR'S primary non-public phone number. Teams will coordinate directly with CITY'S existing dispatch systems and actively collaborate on protocols in order to provide a regular, reliable, immediate alternative to Police or Fire dispatch to PEH in the program areas.
- x. Prior to the commencement of the program, the process of selecting and diverting calls and procedures for responding to calls will be defined in a separate document and agreed to by the Parties. CONTRACTOR agrees that it will obtain and maintain any required software and equipment for call diversion and management.
- b. Proactive Embedded Response Teams (PERTs)
 - i. Proactive embedded response teams will be deployed in locations of high need within the program areas.
 - ii. Teams will be deployed seven days a week, a minimum of eight hours a day.
 - iii. Teams may include crisis workers and homeless outreach workers, preferably with lived experience and/or formerly incarcerated individuals.
 - iv. Team duties include but are not limited to:
 - 1. Outreach and engagement;
 - 2. Service referrals/connections;
 - 3. Enrollment of unhoused individuals in the HMIS; documentation of interactions, assessments, services provided, and referrals; and the updating of client information in HMIS.
 - 4. Housing navigation/placement;
 - 5. Positive and pro-social norm interventions;
 - 6. De-escalation interventions;
 - 7. Custodial and sanitation services; and
 - 8. Public health outbreak prevention education and testing and vaccine coordination.
- c. Operation of Decompression Centers
 - i. CONTRACTOR will operate a staffed 24/7 facility where services are provided including, but not limited to: allowing PEH to rest away from their encampment or reprieve from extreme weather or environmental conditions, de-escalating or de-compressing, and providing snacks and water.
 - ii. The number of operational decompression centers to be agreed upon by CITY and CONTRACTOR.
 - iii. CONTRACTOR and CITY will work to identify, where appropriate City-owned properties to be used by CONTRACTOR for the operation of decompression centers.
 - iv. CIRCLE Decompression Center Care Coordinators
 - 1. The Decompression Center Care Coordinators will operate decompression centers and provide case management support to CRTs and PERTs. The Coordinator will provide a safe and

welcoming environment to all Decompression Center guests and partners, and ensure that all communication, logistical, and decompression facility operations are in compliance with State and the Mayor's Office guidelines. The Coordinator will work closely with CIRCLE Supervisors and mental health clinicians, Los Angeles Homeless Services Authority, Department of Health Services, Department of Mental Health, Mayor's Office, homeless services providers, and other City, County, or State partners to ensure guests are properly connected to the homeless service delivery system. Coordinators must have previous experience in homelessness case management and possess knowledge of housing and other resources.

2. Decompression Center Care Coordinators or CIRCLE Supervisors will attend case conferencing meetings for the Service Planning Areas in which the program operates.

2. Data Tracking & Reporting

- a. Conduct robust data collection, tracking, and management to evaluate program outcomes and performance, including activities by the behavioral/mental health specialists and Decompression Center operations.
- b. Furnish and report on detailed records of dispatch calls received, response times, and the outcomes thereof.
- c. Report specific performance indicators and outcomes on a monthly basis as directed by CITY.
- d. Coordinate collaboratively with CITY to analyze outcomes and results and modify protocols accordingly.
- e. Daily tracking of tents, makeshift shelters, RVs or other vehicle dwellings, and individuals experiencing homelessness that the PERTs observe or encounter. The information collected should include any geospatial data.
- f. Track and report HMIS activity, including but not limited to HMIS enrollment, assessments, service provider connection, and referrals

3. Training/Core Competencies

- a. Team members should complete training on the following topics either before or within three months of the contract start date or, if newly hired, within three months of employee start date:
 - i. Trauma-informed care, harm reduction, and de-escalation;
 - ii. LGBTQ & TAY cultural competency;
 - iii. Implicit bias, diversity, and inclusion;
 - iv. Dispatch and emergency triage (for CIRCLE operators);
 - v. Administration of Naloxone;
 - vi. HMIS Training;
 - vii. Boundaries and ethics;
 - viii. Resource and referral; and
 - ix. Self-care and wellness.
- b. Upon request CONTRACTOR shall provide CITY reports verifying training completion by team members.

4. Personnel

- a. CONTRACTOR will prioritize the use of individuals with lived experience (e.g., homelessness, substance abuse, etc.) or prior justice system involvement.
- b. CONTRACTOR will hire ten percent of staff who reside within the zip codes or Council Districts of the program areas to which they are assigned.
- c. CONTRACTOR will maintain and implement a clear process to address and resolve any personnel performance issues.
- d. Staffing levels, locations, and hours will be directed by CITY. However, each crisis response team will include at least one certified mental or behavioral health clinician.

- 8) Please account for all funds received from the City under this contract. The following categories are provided for your convenience, others may be substituted, as required. If these categories do not apply, please use your own cost categories as required: (continue list on separate sheet, if needed)

CATEGORIES	EXPENDITURES
SALARIES (list position titles): _____ _____ _____	\$ _____ \$ _____ \$ _____
Total:	\$ _____
OFFICE/ PROGRAM SUPPLIES: _____ _____	\$ _____ \$ _____
Total:	\$ _____
Supplies: EQUIPMENT (list equipment purchased): _____ _____	\$ _____ \$ _____
Total:	\$ _____
TELEPHONE/ POSTAGE: _____ _____	\$ _____ \$ _____
Total:	\$ _____
CONTRACTUAL SERVICES/ RENTAL COSTS: _____ _____	\$ _____ \$ _____
Total:	\$ _____
PRINTING COSTS (please attach a sample of the printed items): _____ _____	\$ _____ \$ _____
Total:	\$ _____
OTHER EXPENSES (please list below or on a separate sheet): _____ _____	\$ _____ \$ _____
Total:	\$ _____
GRAND TOTAL of above lines (all costs charged against contract funds).....(A)	\$ _____
Amount listed in Box 7.....(B)	\$ _____
Subtract line (A) from line (B).....(C)	\$ _____

- 9) You must include with this statement copies of receipts and invoices matched with canceled checks, etc., which substantiate the above costs (unless they were previously submitted). Additionally, if the amount in Box 8, line C is greater than zero, this amount represents a debt owed by you to the City of Los Angeles, which *must be returned with this statement*. Please make a check payable to the City of Los Angeles. If Box 8, Line C is zero or a negative amount you owe the City nothing. On a separate sheet, please describe the disposition of any unused materials, supplies or equipment purchased with the funds provided by this contract.

- 10) To be signed by the person listed in Box 3 (person authorized to sign on behalf of the Organization):

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Officer:	Date Signed:
Print Name of Officer:	

Questions regarding this Close-Out Statement? Please call (213) 978-1086

ATTACHMENT C



**City of Los Angeles
Office of Mayor Karen Bass**

**MAYOR'S OFFICE OF
COMMUNITY SAFETY**



**FISCAL POLICY
MANUAL**

Fiscal Year 23-24

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Introduction

The City of Los Angeles Mayor's Office of Community Safety (MOCS) strives to facilitate the success of its service providers, while ensuring accountability through engagement, collaboration, utilization of best practices, and continuous process improvement. A solid administrative foundation will lead to success on all levels.

The purpose of this Fiscal Policy Manual is to guide agencies in establishing a budget for services over the course of the year. It will serve as a reference guide to help agencies in making key decisions when managing its cash flow or establishing fiscal policies within its organization. It will also help agencies navigate the City of Los Angeles's (City) fiscal processes, such as budget approval, reporting of expenditures, and processing of payments.

However, this Fiscal Policy Manual is not intended to provide a complete listing of the City's financial policies and requirements. Approval of expenditures is guided by the policies and requirements of: (1) the City of Los Angeles; (2) the Office of Management and Budget (OMB) and Federal agencies administering grants (if applicable); and (3) the terms of service provider contracts. The Mayor's Office also retains discretion to determine the reasonableness of expenditures and appropriateness to the goals of the program. If there are inconsistencies between the contract and Fiscal Policy Manual, the terms of the contract shall control. If administering a Program with grant funds, the OMB Uniform Guidance and grant-specific guidelines shall control, with the Fiscal Policy Manual serving as supplemental grant guidance.

We look forward to a productive relationship as we make the City better for all residents, housed and unhoused, of Los Angeles.

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SECTION 1: Annual Budget Approval

Each contracted CIRCLE agency will be provided a Budget template at the start of the budget cycle. Agencies must submit a proposed budget that clearly reflect activities and services aligned with the programmatic goals of the CIRCLE Program.

The budget must be fiscally sound and programmatically responsive, and include a detailed computation of costs for all budget categories. The budget narrative must explain, in detail, all costs outlined in the budget. Failure to provide sufficient detail in the budget narrative may result in costs being disallowed during invoice review.

The budget must be accompanied by all required supporting documentation outlined in this manual. The budget, its narrative, and the supporting documentation will be reviewed and approved by the Mayor's Office before it executes the contract. Failure to submit the required budget documents will result in a delay in budget approval, and a subsequent delay in contract execution.

Upon budget approval, an approval letter will be sent to the agency notifying the agency that spending can commence.

Any deviations from the approved budget and budget narrative require the submission of a budget modification request, and prior approval by MOCS.

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BUDGET CATEGORIES

Outlined below are the budget categories for allowable programmatic expenses that correspond to the sections of the Budget and Monthly Invoice Template.

100 Personnel Costs

- (105) Salaries & Wages-Salaried Full Time
- (110) Salaries & Wages-Hourly Full Time
- (115) Salaries & Wages-Hourly Part Time
- (120) Fringe Benefits

200 Contractual Services

- (205) Consultant(s)
- (210) Subcontractor(s)
- (215) Vendor(s)
- (220) Audit

300 Other Costs

- (305) Supplies
- (310) Stipends
- (315) Travel-staff (Includes mileage, fuel)
- (320) Insurance
- (325) Utilities/Telephone/Communications
- (335) Staff Training/Staff Development (Excluding Consultants)
- (340) Other

400 Capital Costs

- (405) Equipment Purchase (Excluding Vehicles)
- (410) Equipment Lease (Excluding Vehicles)
- (420) Vehicle Lease
- (425) Equipment and Vehicle Maintenance & Repair
- (430) Furniture Purchase
- (435) Facility Costs (Lease/Rental/Depreciation)

500 Participant-Related Costs

- (515) Food/Beverages
- (525) Participant Support Services
- (530) Other

600 Indirect Costs

- (605) Approved Indirect Cost Rate

SECTION 2:

Definitions, Guidelines, & Required Documentation

This section lays out the budget definitions for each category, outlines guidelines per category and then lists the documents required for budget approval of each category.

Please take the time to read this section carefully as what is mentioned in the guidelines section will determine what costs are allowed on a monthly basis. When MOCS is reviewing the agency's monthly expenditures, these principles will be used as a guideline to remit the appropriate payment to the agency.

100 PERSONNEL COSTS

Any employee paid with CIRCLE funds must perform work related to the CIRCLE contract. CIRCLE will only pay for the portion of time that is solely dedicated to meeting the objectives of the CIRCLE contract.

Salaries and Wages (105, 110 & 115)

Definitions:

Salaries and Wages - Salaries are fixed compensation for services performed by employees of the agency and are paid on a regular basis. These costs are based on the percentage of time that the person(s) is allocated to the CIRCLE contract. More than one person may occupy a given salary line as long as the total percentage is 100% or less.

Some employees work on multiple programs. Document the percent of time devoted to each program and allocate only the appropriate amount to each contract. The total of all estimates cannot exceed 100%.

Salaried Employees - Program agency employees who receive compensation for services performed based on a fixed annual rate.

Hourly Employees - Program agency employees who receive compensation for services performed based on a fixed hourly rate.

Full-time Employee – Program agency employee who works 35 hours or more per week, even if only for a portion of the year.

Part-time Employee – Program agency employee who works less than 35 hours per week.

Guidelines:

- At the beginning of each fiscal year, any overtime costs require pre-approval by the Mayor's Office and will be considered on a case-by-case basis. Agencies will be required to submit the agency's approved written overtime policy and a memo confirming that the use of salary funds for overtime will not negatively impact nor interrupt the Program service provision or contract performance at any point during the contract term and through its end.
- Double-time will not be reimbursed under any circumstance.
- Vacant staff positions are to be filled within 60 days after the contract start date. Cost savings from salaries as a result of agencies not filling vacant positions within 60 days cannot be moved to another line item; these budget modification requests will be denied.
- The maximum allowable salary wage increase is 5% of the employee's current salary per contract year. Agencies must get pre-approval from the MOCS, which may come in the form of a budget approval, before requesting reimbursement of any wage increases. Any increases that have not received pre-approval will be permanently disallowed.
- Agencies will not be held to monthly limitations for salary lines. Agencies will be able to spend these lines at a rate that is appropriate for the agency.
- Vacation, holiday and sick policies will be based upon the agency's personnel policy. In the event an agency does not have said policies in place, it will defer to the MOCS for guidance.
- Vacation Policy:
 - If an agency does not have a vacation policy, the maximum amount of vacation days allowed will be ten (10) days during a 12-month period for a full-time employee, and five (5) days during a 12-month period for a part-time employee.
 - The MOCS will only pay vacation time that is accrued within the contract period for an employee that is leaving the organization.
 - Please note, vacation payouts are based on the time accrued during the contract performance period, a maximum of three (3) years. Employee vacation payouts, at the end of the contract performance period, are not permissible. Vacation payouts are only permissible upon the employee's termination/resignation from the agency.
- Bonuses of any kind cannot be charged to CIRCLE contracts.

Required Documents:

- ☐ Job descriptions for all positions, including but not limited to job duties and job

qualifications.

- ☐ Resumes of all fulltime salary staff members required for 1st year of RFP, subsequent years will only need resumes for new hires in full time salary positions.
- ☐ Agency Personnel Manual: Agencies are to provide the most updated personnel manual. In addition, agencies are to provide the following details in the Personnel Manual:
 - ☐ Salary Increase Policies: All salary increases must be in accordance with established agency policies.
 - ☐ Vacation Holiday and Sick Policies: All holiday vacation and sick policies must be clearly outlined in the Agency Personnel Manual. In the event an agency does not have said policies in place, it will defer to MOCS for guidance.
- ☐ Justification memos are required for staff receiving a salary wage increase. Additionally, said salary increases must be included in the budget summary. Please note, MOCS will consult Agency Evaluation results in determining approval/disapproval of salary wage increases.
- ☐ Staff Allocation Sheet and Organizational Chart
- ☐ Salary Range for each position

Fringe Benefits (120)

Definition:

Fringe Benefits: Employee benefits and employer payroll taxes include employer's contribution or expenses for social security, employee's life and health insurance plans, unemployment insurance, pension plans, worker's compensation and other similar expenses.

Guidelines:

- These expenses are allowable when they are in accordance with the agency's approved written policies.
- CIRCLE agencies may only bill a maximum of 42% for fringe benefits. This fringe rate is subject to the City of Los Angeles established fringe rate.
- Costs for fringe benefits must be submitted on a monthly basis as a monthly cost reimbursement.
- If an agency has a written policy that allows an employee to receive a medical allowance (e.g., the employee is receiving medical coverage through a spouse and

waives the employer's coverage), the maximum reimbursable amount is \$50.00 per pay period for bi-weekly payroll, or \$100.00 for monthly payroll.

- In accordance with the Affordable Care Act (ACA), MOCS will reimburse benefits for employees on medical leave as well as their temporary replacements. Said employee must provide proof that their position was funded under the CIRCLE contract.

Required Documents:

- ☐ Fringe benefits allocation sheet
- ☐ Letter from the State Employment Development Department establishing annual State Unemployment Insurance (SUI) percentage.
- ☐ Copy of a current Worker's Compensation Certificate
- ☐ Agency's policies defining health benefits to include such things as medical allowances.

200 CONTRACTUAL SERVICES

Agencies must provide executed copies of all contracts with outside organizations or individuals pertaining to the CIRCLE contract.

Consultants (205)

Definition:

Consultants - independent firms or individuals with specific skills retained to perform limited programmatic tasks or complete projects within the contract that cannot be accomplished by regular full-time or part-time staff.

Guidelines:

- Consultants cannot be salaried employees. They must maintain their own service and financial records and have a place of business separate from the agency.
- Consultants retained by the agency must enter into a written agreement with the agency which details the specific services to be performed and the hourly rate.
- An executed consultant agreement with the contracted agency must be submitted in order to receive final budget approval. If an agency has a pre-existing agreement with a consultant, MOCS may require changes to the agreement.
- MOCS retains the right to modify and/or disallow consultant's costs. To recoup consultant costs, the agency must include a detailed invoice from the consultant, as well

as explanation of the programmatic need for the service.

- Legal service of any kind, including but not limited to attorney's fees, is not an allowable cost.
- Auditors cannot be retained as consultants. Audit expenses are not allowable. See the CIRCLE contract for more information on audits. Agencies, however, are required to submit their most recent auditor's report, in accordance with the budget approval checklist.
- Agencies may not charge MOCS for third party vendor services (i.e., maintenance and repairs) if the vendor is owned in whole or in part by the agency.

Required Documents:

- ☐ Consultant Agreements must include a detailed scope of services and an established fee schedule.
- ☐ Proof of payment in the form of a copy of a check and bank statement is required and must be dated within the month for which it is being submitted.

Subcontractors (210)

Definition:

Subcontractors - are independent, entities selected to perform specific programmatic services. A subcontractor agreement is governed by the terms of the CIRCLE contract.

Guidelines:

- All subcontractor agreements, including the scope of work and budget/expenditure plan, must be submitted to receive final budget approval.
- All subcontractor agreements that were not originally included in the awarded proposal must be pre-approved by MOCs
- All expenditures of Program funds must be reasonable and competitive with pricing by other vendors and suppliers in the market. Agency may be requested to provide documentation justifying its selection of vendor and the amount paid.
- To recoup subcontractor costs, agencies must include a detailed invoice from the subcontractor. Additionally, as proof of payment agencies must submit a copy of a bank statement and canceled check.
- Legal services of any kind, including attorney's fees and auditor fees, are not an allowable cost.

- Subcontractor agreements must comply with the terms and conditions of the Program contract and this Fiscal Policy Manual, and must include all stipulations listed in the contract that apply to subcontractors.
- All subcontractor agreements that were not originally included in the awarded proposal must be pre-approved by the Mayor's Office.
- Agencies must notify the Mayor's Office when terminating a subcontractor.
- Agencies may not charge the Mayor's Office for third party consultant, vendor, or subcontractor services, if the consultant, vendor or subcontractor is owned in whole or in part by the agency.
- If utilizing Federal grant funds, consultant rates should not exceed \$650 per day or \$81.25 per hour.
- Reference the contract for additional provisions regarding subcontractors.

Required Documents:

- ☐ Subcontractor Agreements, which must include a scope of work and detailed budget.
- ☐ If the subcontractor is receiving an advance from the lead agency, the Subcontractor Agreement needs to outline the percentage and recoupment policy (if applicable).

Vendors (215)

Definition:

Vendors - businesses retained to provide non-program services, such as cleaning, security, accounting, printing, repairs, etc.

Guidelines:

- Vendor agreements must be submitted to MOCS and a copy maintained on file by the agency for a minimum of five (5) years. Additionally, agencies must follow the purchasing procedures outlined in the Fiscal Policy Manual for the procurement of goods and services. Agencies must ensure a Business Tax Registration Certificate (BTRC) is submitted for each vendor.
- Third party vendor ('Vendor') services shall not be reimbursed if said Vendor is owned in whole, or in part, by the Agency.

Required Documents:

- ☐ Vendor Agreements
- ☐ Business Tax Registration Certificate is mandatory. Certificate may be acquired at finance.lacity.org

Auditing (220)

Definitions:

Audit - A formal and official inspection of an individual's or organization's accounts. Auditing is a formal, systemic, and disciplined approach designed to evaluate and improve the effectiveness of processes and related controls.

Monitoring - An informal process to ensure processes are working as intended. Monitoring is the process that supports efforts to ensure compliance, including certain activities completed as part of a compliance work plan.

Guidelines:

- In accordance with the contract, MOCS may conduct an audit and/or monitoring visit of the agency's fiscal and/or programmatic records.
- A CIRCLE agency, shall provide the latest, available auditor's reports, prepared in accordance with 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/or Board-approved Annual Financial Operations Reports. Please note, CIRCLE agencies shall not be reimbursed for any costs associated with preparing or providing said audit reports.

Required Documents:

- ☐ Agencies shall provide the latest, available Auditor's reports, prepared 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/or Board-approved Annual Financial Operations Reports. All costs associated with providing said reports to MOCS are not reimbursable.

300 OTHER COSTS

Funds expended as 'Other Costs' must be for CIRCLE related activities only. All Other Costs must have a description, a justification, and a computation provided in the budget narrative. If there are shared costs, this must be clearly outlined in the budget narrative and/or the allocation plan, as noted in Section 3: Other Policies.

MOCS reserves the right to determine if costs under this category are appropriate and within reason. The following costs are permanently disallowed:

- Fundraising
- Capital improvement costs
- Late Fees/Penalties
- Membership Dues/Fees
- General Liability Insurance for Officers & Directors
- Food/Beverage (For staff only purposes)
- Raffles or games of chance
- Donations
- Domestic and/or International Flights

Supplies (305)

Definition:

Supplies - tangible personal property used in the administration of the CIRCLE program. Supplies are oftentimes consumables and are typically used within a year. Please see section 405 for the definition of 'equipment.'

Guidelines:

- Supplies include, but are not limited to, general office supplies, consumables, postage, printing/copying, etc. Postage costs cover the mailing of correspondences, packages, and other deliverable materials related to the CIRCLE program. Please note, the most cost-effective means of postage should be sought when possible.
- For printing/copying, this is the cost to print and copy materials from a third party vendor. Charges for the lease or purchase of copying machines or printers may not be charged to this line. For purchases, please see Capital Costs (400).

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Stipends (310)

Definition:

Stipends - allowances paid to individuals providing services directly for the program who are not employees of the agency (i.e., volunteers or interns).

Guidelines:

- Stipends may not be used to pay for service being received by the agency or to avoid payment of FICA, unemployment insurance, or worker's compensation insurance. All stipends must be detailed in the budget narrative.
- The use of stipends must be separately approved by MOCS, either as a pre-approval by the CIRCLE Program Manager, or in the form of a budget approval prior to issuance.
- Gift cards cannot be issued as a stipend

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Travel-Staff (Including Mileage, Fuel) (315)

Definition:

- Travel-Staff: Costs incurred for approved travel expenses related to staff training, development, and delivery of direct participant services, including mileage and parking reimbursement.

Guidelines:

- Mileage reimbursement must be approved by MOCS and shall include support documentation which includes, but is not limited to, a mileage log, google maps print out, receipts and travel justification.
- Mileage will be reimbursed at the approved Internal Revenue Service (IRS) rate.
- Mileage will only be paid for personal vehicles used. (Standard IRS mileage rates: <https://www.irs.gov/tax-professionals/standard-mileage-rates>).
- Mileage for interoffice travel between sites operated by the agency will be allowable within reason and must be approved by MOCS. Mileage for purposes other than CIRCLE-related work or direct participant services, may not be billed.
- Designated CIRCLE vehicles, that solely provide CIRCLE related services, may be reimbursed for fuel.
- For staff training and development activities, all expenses related to the trip are billed

under this line item. This includes the cost for attending a training activity.

- Domestic flights and international travel cannot be billed to the CIRCLE contract.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Insurance (320)

Definition:

Insurance - The cost to retain coverage for insurance premiums such as general liability (not included in Fringe Benefits) and other financial protections against losses. Vehicle insurance should also be included in this category (i.e., the cost to retain coverage for auto insurance premiums and other financial protection against losses).

Guidelines:

- MOCS requires General Liability Insurance, Worker's Compensation and Employer's Liability Insurance, Sexual Misconduct Insurance and Automobile Liability. Insurance and Property Insurance is also a requirement if the agency is using a premises exclusively owned and controlled by the City. The following types of insurance are permanently disallowed:
 - General Liability Insurance for Officers & Directors

Required Documents:

- ☐ Insurance Policy

Utilities/Telephone/Communications (325)

Definition:

Utilities/Telephone/Communication - Costs incurred for electricity, water, gas, telephone and other communication methods. Submit a copy of the first page and all pertinent pages that cover CIRCLE charges.

Guidelines:

- Cell phones are an allowable purchase, but must receive pre-approval from MOCS. MOCS will only cover the procurement of one cell phone per person during the 12-month fiscal year up to a maximum of \$100. MOCS will not reimburse any cell phone costs above this \$100. This includes the costs of cell phone replacement, and the

purchase of accessories or cell phone upgrade during the 12-month fiscal year. Cell phone purchase costs above \$100 will be disallowed. The agency should obtain the most cost-effective service plan based on anticipated usage. The service plan must not exceed \$75 per month for each individual. Cell phone monthly charges can only be applied for program staff. Reimbursements must be issued directly to the employee, and proof of payment through payroll. If the service plan exceeds this amount, it will then be the responsibility of the agency to cover the difference

- The costs for phone calls made to international numbers cannot be billed to the CIRCLE contract. These costs will be permanently disallowed.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Staff Training & Development (335)

Definition:

Staff Training & Development - Expenses related to training materials and program related training sessions. This does not include the cost of retaining a consultant to provide training.

Guidelines: Documentation of the staff who participated needs to be provided for Staff Training and Development expenses.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Other (340)

Definition:

Other: This pertains to line items that do not fall in any of the aforementioned budget item categories within 'Other Costs.'

Guidelines: Costs associated with this line must be clearly outlined in the budget narrative.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

400 CAPITAL COSTS

Any costs that deviate from the approved budget, narrative or bids within this category must receive prior approval by MOCS before being incurred and must follow CIRCLE procurement guidelines. For more information, please refer to Section 5: Procurement and Competitive Bidding Procedures.

Equipment Purchase – Excluding Vehicles (405)

Definition:

Equipment Purchase (Excluding Vehicles) - Equipment is tangible personal property, including information technology systems, used to carry out programmatic and administrative operations of the agency. Please see Section 305 for the definition of ‘supplies.’

Guidelines:

- Equipment must be pre-approved if the unit cost is above \$500. Exceptions to the \$500 threshold include the purchase of electronics, such as tablets, notebooks, and printers. Said items must always receive pre-approval by MOCS or be exactly detailed in the budget narrative.
- All equipment shall be subject to the relevant sections of the CIRCLE contract. All non-expendable personal property acquired pursuant to the contract shall be properly maintained and accounted for. A record shall be maintained for all CIRCLE equipment purchases.
- Maintain and provide an inventory log/list of all equipment purchased with CIRCLE funds; consumable office supplies do not apply. The equipment log must contain: equipment description, quantity, date of purchase, cost, serial/identification number, title holder, location of equipment, status of condition and use. A template will be provided by MOCs upon request.
- All items purchased with CIRCLE funds under budget category (400) are the property of the City of Los Angeles and must be tagged “Property of CIRCLE.” At the end of the contract, all non-depreciated items that still have useful life must be itemized by class and returned, if requested by MOCS.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Equipment Lease – Excluding Vehicles (410)

Definition:

Equipment Lease (Excluding Vehicles) - The lease or rental of devices, machines, and tools used in carrying out the programmatic and administrative operations of the agency as it relates to the CIRCLE contract.

Guidelines:

- Costs associated with this line must be clearly outlined in the budget narrative.

Required Documents:

- ☐ Lease Agreement

Vehicle Lease (420)

Definition:

Vehicle Lease - Multi-passenger van leases as stipulated in the Vehicle Policy.

Guidelines:

- No vehicles may be purchased with CIRCLE funds.

Vehicles may only be leased within the contract performance period. For more information, please see Section 5: Procurement and Competitive Bidding Procedures.

Required Documents:

- ☐ Lease Agreement

Equipment and Vehicle Maintenance & Repair (425)

Definition:

Equipment and Vehicle Maintenance & Repair - Costs to conserve and repair equipment and vehicles.

Guidelines:

- All non-expendable personal property acquired pursuant to the CIRCLE contract shall be properly maintained and accounted for.
- Equipment and vehicles must be used exclusively for CIRCLE-related purposes or the cost of maintenance and/or repair should be allocated based on its usage for CIRCLE related activities. Agency must provide receipts for vehicle maintenance and repair.

- Any cosmetic alterations to a vehicle require pre-approval from MOCS.

Furniture Purchase (430)

Definition:

Furniture - Office or programmatic furniture.

Guidelines:

- Costs associated with this line must be clearly outlined in the budget narrative.
- Furniture items with a unit cost that exceeds \$350 requires pre-approval from MOCS. Additionally, said items may only be purchased once within the fiscal year.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Facility Costs - Rental/Maintenance/Signage (435)

Definition:

Facility Costs - Costs incurred for space, maintenance, lease/rent, and/or depreciation for CIRCLE projects are generally allowable. Property tax is not an allowable cost.

Guidelines:

- Facilities may only be used to conduct CIRCLE contracted activities. All separate facility costs must be approved by MOCS.
- If seeking reimbursement for rent, the agency should list square footage and cost per square feet in the budget and include the lease or rental agreement. The amount must be based on the space that will be allocated to implement the CIRCLE project, not the cost of the entire rental space. The amount charged for rent must be current, fair market value. This description and breakdown must be included in the budget narrative. See Section 509 of the CIRCLE contract for lease agreement requirements.
- Rental costs are not allowable for property owned by the agency or if the agency has a financial interest in the property. Where an agency owns the building or has a financial interest in the building where the CIRCLE project is housed, only reasonable costs of ownership, including maintenance costs, depreciation or use allowance, and utilities are allowable.

- The agency who owns the building or has a financial interest in the building where the CIRCLE project is housed may charge depreciation or use allowance, but not both.
- Any agency that charges depreciation must include a depreciation computation in its budget and provide supporting documentation. Any agency that decides to charge a building use allowance in lieu of depreciation must compute it at an annual rate not to exceed two percent (2%) of acquisition costs.

Required Documents:

- ☐ Lease Agreement

500 PARTICIPANT-RELATED COSTS

Costs budgeted under this category must clearly link to the risk factors and/or programmatic objectives. The goal of these costs is to support participant success in the program.

Food/Beverages (515)

Definition:

Food/beverages - Food and beverage costs are for unhoused program participants only.

Guidelines:

- Costs cannot be incurred for staff or staff-only functions.
- Gratuity/tips are not allowable expenses.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Participant Support Services (525)

Definitions:

Participant Support Services: This includes any type of service rendered to a participant that falls outside of the regular program offerings.

Guidelines:

- All costs associated with participant support services have to be preapproved MOCs and should be included as supporting documentation with the monthly expenditure report (invoice.)

- Costs associated with this line must be clearly outlined in the budget narrative.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

Other (530)

Definitions:

Other - Line items that do not easily fall into any of the aforementioned budget item categories under 'Participant Related Costs.' Items can include hygiene kits, socks, and other items to support unhoused program participants.

Required Documents:

- ☐ A description, a justification, and a computation provided in the budget narrative.

600 INDIRECT COSTS

Definition:

Indirect costs – this category captures overhead costs incurred by the agency that operates several programs and has administrative costs that cannot be identified as a direct cost to a specific program.

Approved Indirect Cost Rate (605)

Guidelines:

- The maximum indirect cost rate allowed by MOCS is 15% (excluding non- social service provider contracts). Agencies must have an approval letter from a Federally Cognizant Agency. MOCS cannot provide any agency with an indirect cost approval letter.

Required Documents:

- ☐ A Current Letter from Federally Cognizant Agency

SECTION 3: Other Policies

ADVANCE PAYMENT POLICY

Advance payments will be made at the sole discretion of MOCs. The method of request and the requirements of the advance payment are dictated in the contract.

MONTHLY INVOICE POLICY

- Agencies must submit monthly expenditures within 30 days after the close of the reporting month, and must only reflect costs which were incurred during that reporting month. For example, the September Invoice must be received by MOCs no later than October 30th. If the 30th day falls on a holiday or a weekend, the invoice must be submitted by the next business day.
- Invoice may not include future expenses.
- Monthly invoices will not be accepted if they are missing authorized signatures.
- For grant-funded contracts, please consult the CIRCLE Program Manager and CIRCLE Accountant for additional details and donor-associated guidelines.
- Agencies who fail to comply with this requirement will not be recommended for contract renewals. Further, letters of support for other grants or community partnerships cannot be provided absent full compliance.

Disallowed Expenses

- Expenses will be disallowed if they fail to comply with CIRCLE fiscal policies, are not accompanied by adequate supporting documentation, are not in line with an approved budget, or are deemed inappropriate by MOCS.
- Disallowed expenses are reported back to the agencies in a “Pending and Disallowed Cost Report” under two categories: pending and permanently disallowed.
 - Pending Disallowed Costs: Agencies may appeal all pending disallowed costs and provide the requested documentation in the form of a supplemental invoice within 30 calendar days of the dated “Pending and Disallowed Cost Report.” Once pending disallowed costs have been addressed, agencies will receive reimbursement for those omitted costs in the next month’s payment. Only one supplemental invoice per month will be accepted.
 - Permanently Disallowed Costs: Permanently disallowed expenses cannot be appealed. Failure to respond to pending disallowances within the 30 calendar days

will then result in permanent disallowance of these expenses. Agencies will receive reimbursement based on allowed costs.

Receipt of Payment

- Agencies that are fully funded through the City of Los Angeles General Fund shall obtain payment approval (excludes any disallowed costs) within 30 calendar days of submission of all documentation. Agencies not meeting the submission deadline will experience a delay in the receipt of payments.

BUDGET MODIFICATION POLICY

- Agencies will only be allowed two budget modification requests during the contract period. Final budget modification requests must be submitted 60 days prior to the end of the contract period. Failure to timely submit a budget modification may result in a denial of the agency's modification request.
- Modification of expenses (i.e., salary increases) will not apply retroactively more than 60 days, and will be considered on a case-by-case basis. Retroactive approval does not apply to new expenditures.
- Agencies must submit a letter (on agency letterhead) to MOCS requesting a budget modification and provide a justification and summary of the items being modified. Agencies must submit the request letter, budget modification forms, budget narrative, and all necessary supporting documents for review. If an agency does not submit a request for a budget modification as indicated above, the agency will lose the opportunity to recover these costs.
- Approval of budget modifications is at the discretion of MOCS.

COST ALLOCATION PLAN POLICY

- If an agency has more than one funding source they must allocate their resources accordingly, and submit a cost allocation plan based upon generally accepted accounting principles. If the agency has funding variations on a month-to-month basis, the agency must submit their cost allocation plan on a monthly basis.
- Agencies that will be charging a portion of rent or utilities must also submit a space allocation plan that reflects the square footage usage for the CIRCLE program. The cost and space allocation must be submitted with the invoice for review.

SECTION 4: Reporting of Monthly Expenditures

Once MOCS has an approved budget, agencies will be provided with their monthly invoice template. An unpopulated copy will be sent as a separate attachment for the agency's reference. Official CIRCLE forms are pre-populated and the agency shall only fill in the white section of each form. At no time should an agency edit or add figures to the gray sections of any CIRCLE form.

The submission of monthly invoices in a timely manner is essential to the work of MOCS. As mentioned in the previous section, monthly invoices are due 30 days after the close of the reporting month, and must only reflect costs which were incurred during that reporting month. All timely invoices will be reviewed in the order received by MOCS to determine allowable costs. Untimely invoices, or invoices for multiple months submitted at once, will be reviewed only after those invoices submitted on time have been reviewed and paid. MOCS may deny reimbursement of any invoices not submitted by the designated due date.

MOCS receives funding from the City of Los Angeles General Fund as well as from Federal and State Grants. Agencies that are fully funded by General Funds should expect to have payment approved within 30 calendar days from the date that the invoices, and all supporting documentation, are received by MOCS. Agencies funded through grant funds may experience delay in the receipt of payment, as the funds need to be requested from the Grantor after each review.

MOCS must provide evidence of costs and therefore, all substantiation of the agency's costs must be submitted and reconciled by MOCS accountants on a monthly basis. The function of supporting documentation is to validate that an allowed cost exists and to also demonstrate that the incurred cost was paid. The following is the list of required documentation which serves the aforementioned purposes.

REQUIRED DOCUMENTATION

100 Personnel Costs:

- Timesheets which reflect the percentage of time worked on the CIRCLE-related project must be signed by the employee and supervisor, and must be dated within the appropriate period. Electronically submitted timesheets are acceptable as long as they contain supervisor approval (either signed or electronic).
- Payroll register or copies of paychecks must be dated within the month for which it is being submitted.
- Invoices and proof of payment for fringe benefits must be submitted on a monthly basis. Worker's compensation invoices must be submitted to MOCS as they are received by the agency and should include employee's class and rate and must be dated within the

month for which it is being submitted.

200 Contractual Services

- Signed invoice which reflects the appropriate time period, number of hours being billed (if applicable), and services provided (if applicable) must be dated within the month for which it is being submitted.
- Proof of payment for consultants and vendors: A copy of a check and bank statement is required and must be dated within the month for which it is being submitted.
- Proof of payment for subcontractors: A copy of a bank statement and cancelled check and must be dated within the month for which it is being submitted.

300 Other Costs

- Invoices must include the date, the company name, and itemization of costs.
- Invoices must be dated within the month for which the invoice is being submitted.
- Receipts for purchased items must be dated within the month for which the invoice is being submitted.
- Proof of Payment, which may be in the form of a copy of a check, credit card receipts and bank statement must be dated within the month for which it is being submitted.

400 Capital Costs

- Invoices must include the date, the company name, and itemization of costs.
- Invoices must be dated within the month for which the invoice is being submitted.
- Documentation of procurement and approval by MOCS when applicable.
- Packing slips which show itemization of delivery and shipping date must be dated within the month for which it is being submitted.
- Proof of Payment, which may be in the form of a copy of a check, credit card receipts and bank statement.

500 Participant-Related Costs

- Invoices must include the date, the company name, and itemization of costs.
- Invoices must be dated within the month for which the invoice is being submitted.
- Receipts for purchased items must be dated within the month for which the invoice is

being submitted.

- Proof of Payment, which may be in the form of a copy of a check and bank statement and must be dated within the month for which it is being submitted.

600 Indirect Costs

- No documentation shall be required on a monthly basis as long as the agency has submitted an indirect cost rate approval letter from a Federally Cognizant Agency and it has been approved by MOCS in the budget approval process. MOCS cannot provide any agency with an indirect cost rate approval letter.

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SECTION 5:

Procurement & Competitive Bidding Procedures

The acquisition of goods/services shall be dictated by the requirements described the agency's contract. The purpose of acquiring bids is to ensure that the agency has performed due diligence and has found the most competitive price available. If an agency has a pre-established relationship with a certain vendor (subcontractor), the agency must provide MOCS the details of that relationship during the annual budget approval process unless the Agency is unaware of the subcontractor because a procurement is required. If an agency chooses to purchase an item that is not the lowest quoted price, it must provide a justification memo for the added expense. Bids, and any associated justification memos, must be submitted and approved by MOCS before the purchase can be made.

The following procedures apply to all items except for vehicles. Please see the separate Vehicle Policy on the subsequent page.

1. Purchases less than \$1,000: No bids or approval required.
2. Small Purchase Procedures. Small purchases are made from vendors for goods or services under \$100,000. Following the procedures for small purchases will constitute justification of the procurement method chosen. The bids 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	Method
\$1,000 to \$10,000	2 written bids	Two bids must be received by the agency. The bids must be documented in writing in the agency file. To be considered, the response must be signed and dated by the vendor.
\$10,001 to \$100,000	3 written bids	<p>Three bids must be received by the agency. Receiving less than three bids will result in a failed procurement and the Agency will need to provide a justification memo to MOCS providing details pertaining to the procurement process. Agencies must not hire any subcontractor until it has received approvals from MOCS.</p> <p>All bids must be documented in writing in the agency file. To be considered, the response must be signed and dated by the vendor.</p>

3. Purchases/Services Over \$100,000*: A public solicitation of a minimum of three written/sealed bids is required when the cost can reasonably be expected to exceed \$100,000. The bids must be solicited from responsible bidders offering such commodities or services. The method for rating and selecting the chosen recipient must be detailed in the solicitation. Agencies must work with MOCS when engaging in this process to ensure compliance with the contract. (*Subcontractors that were a part of the original proposal are exempt from this requirement.)

** Purchases are defined as the unit cost and the cost of the total invoice. For example, if an agency intends on purchasing 3 computers at a cost of \$350 each from the same vendor, the total invoice amount is over \$1,000 and therefore, two (2) bids are required.*

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Vehicle Lease Policy

Vehicle Type	Only multi-passenger vans will be allowed to be leased with CIRCLE funding.
Vehicle Lease	<p>New vehicles may be leased with CIRCLE funds. Lease terms cannot exceed 1-year as the CIRCLE contract is a year to year contract. The lease agreement should stipulate how and to whom the vehicle is returned. All leases must terminate as of June 30th of the calendar year regardless of when the lease commenced.</p> <p>MOCs must approve the lease agreement prior to it being executed. Vehicle leases may not exceed the cost of \$20,000 per year (for a 12-month lease) or \$15,000 per year (for a lease between 6-12 months).</p>
Procurement	<p>Any lease must be conducted in the agency's name. The agency is responsible for ordering, receiving, inspecting and accepting the merchandise. The name of the CIRCLE Office, the City of Los Angeles, its officials, or employees should not be used, under any circumstances, for the purpose of securing goods from a vendor. Invoices, bills, and receipts must be issued in the name and address of the agency.</p> <p>When an agency chooses to lease a vehicle, 3 competitive written bids from different dealerships must be obtained and submitted to the MOCs for review. The bids must contain a description of the item requested, the time, date, and the name of the employee responsible for securing the bids.</p>
Insurance	Compliance with California law requiring auto liability insurance is a contractual requirement. Agencies may include the cost for vehicle insurance in their CIRCLE budgets.
Operator's License	Any person driving a vehicle leased with CIRCLE funding must have a current Class 'B' driver's license where required by state law.
Maintenance Costs	Agencies may include reasonable vehicle maintenance costs in their budgets.
Usage/ Justification	Vehicles leased with CIRCLE funds must be exclusively used for CIRCLE related activities. Additionally, agencies must provide written justification for its lease.
Timeframe	Vehicles may only be leased within the contract performance period.
Cost Allocation	<p>A vehicle cannot be leased using both CIRCLE funds and other funding sources. Only CIRCLE funding may be used to lease vehicles.</p> <p>If an agency has an existing lease agreement (prior to the execution of the CIRCLE contract), approval may be granted to allocate a portion of those expenses to the CIRCLE contract. This will be handled on a case-by-case basis.</p>

SECTION 6: Contract Close-out Procedures

June 30, 2024 is the end of the 2023 – 2024 fiscal year for CIRCLE agencies. This date serves as the last day of the contract period. Any expenses paid after June 30, 2024 will be disallowed.

Agencies must take the following steps to close out their contract:

1. Second and final budget modification must be submitted sixty (60) days before the end of the contract performance period, April 30th.
2. June invoices must be submitted by July 30th.
3. June supplemental invoices must be submitted fifteen (15) days from the issuance of June supplemental invoice.
4. Note: The June supplemental is the final reimbursement packet accepted by the MOCS; closeout reimbursement packets are no longer accepted.
5. June supplemental reimbursement packets must only contain June invoices. Invoices for all other months will be disallowed.
6. The agency's closeout figures and closeout letter shall be emailed to the agency thirty
7. (30) days from the issuance of the June supplemental payment.
8. Agencies must submit official closeout letters on agency letterhead to MOCS fifteen (15) days from the issuance of the closeout figures and closeout letter from MOCS.

Once these steps are completed, the MOCS will close the contact.

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Office of Mayor Karen Bass
Office of Community Safety

Name of Agency: _____

Acknowledgment of Receipt

Please acknowledge receipt of this document by initialing in designated areas after having read each corresponding section. Once you have read and initialed each section, please return this form to the Mayor’s Office of Community Safety.

Section	Date	Initial
1. Annual Budget Approval		
2. Definitions, Guidelines, & Required Documentation		
3. Other Policies		
4. Reporting of Monthly Expenditures		
5. Procurement & Competitive Bidding Procedures		
6. Contract Close-out Procedures		

Your initials above indicate that you have read each of the sections and understand what is fiscally required of you as a CIRCLE agency. Your signature below indicates that you have received the Updated (June 2023) CIRCLE Fiscal Policy Manual.

Print Name of Executive Director or Designee
(If Designee Include Title)

Signature of Executive Director or Designee



Office of Mayor Karen Bass
Office of Community Safety

Name of Agency: _____

Name of Subcontractor: _____

Acknowledgment of Receipt for Subcontractors

As stated in the CIRCLE Fiscal Policy Manual, fiscal compliance is mandatory for all subcontractor(s). Please provide a copy of the CIRCLE Fiscal Policy Manual to all subcontractor(s). Subcontractor(s) acknowledge receipt of this document by initialing in designated areas after having read each corresponding section. Once the subcontractor(s) has read and initialed each section, please return this form to the Mayor’s Office of Community Safety.

Section	Date	Initial
1. Annual Budget Approval		
2. Definitions, Guidelines, & Required Documentation		
3. Other Policies		
4. Reporting of Monthly Expenditures		
5. Procurement & Competitive Bidding Procedures		
6. Contract Close-out Procedures		

Your initials above indicate that you have read each of the sections and understand what is fiscally required of you as a CIRCLE contracted agency. Your signature below indicates that you have received 2023-2024 CIRCLE Fiscal Policy Manual.

Print Name of Executive Director or
Designee (If Designee Include Title)

Signature of Executive Director or Designee

Attachment D

REQUEST FOR ADVANCE PAYMENT

Urban Alchemy
72 6th Street
San Francisco, CA 94103

City of Los Angeles
Office of the City Clerk
Administrative Services Division
200 North Spring Street, Room 224
Los Angeles, CA 90012

REQUEST FOR ADVANCE PAYMENT

Urban Alchemy requests advance payment of \$1,500,000 allocated to our organization from GCP pursuant to Contract # C-139200.

The expenditures will be directly related to the administration of the CIRCLE pilot program.

A close-out statement will be submitted to the City within 45 days after the term of the Agreement. Copies of expenditure receipts, canceled checks, paid invoices, payroll registers, and other documentation supporting expenditure of City funds will be attached. I understand that original receipts must be maintained by my organization and made available for City inspection for a period of three years following the end of the term of the Agreement.

Please make the check payable to Urban Alchemy. If you have any questions, please contact (Name) at (Phone).

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that I have complied with the provisions of the City's Living Wage Ordinance, if applicable.

(NAME & TITLE)
(DATE)

Attachment E

CLOSE-OUT STATEMENT
City of Los Angeles
AB1290 Redevelopment Fund 53P
Fiscal Year 2020-2021

Your organization entered into a contractual relationship with the City of Los Angeles, which requires your completion of this form, and submission of any documentation not previously submitted supporting your expenditure of City funds. This includes copies of invoices or receipts matched with canceled checks (front & back), invoices marked "paid in cash", if cash was the form of payment, payroll registers, time sheets and internal hiring documents. Please provide the information requested below and return the completed form, along with copies of the necessary documentation to:

City of Los Angeles – Office of the City Clerk
200 N. Spring Street, Room 224, Attn: AB1290 Analyst
Los Angeles, CA 90012

1) Organization Name:			
2) Mailing Address, City, State, and Zip Code:			
3) Provide the name, telephone number, fax and e-mail address (if applicable) of the person directly responsible for the event or program. This person will be contacted for additional information regarding this Close-Out Statement, if necessary.			
Name	Telephone Number	Fax Number	E-mail Address
4) Contract Number:		Contract Term:	

5) Please provide a brief description of the services or activities provided by your organization (list name, date and purpose of the event or program for which funding was received). If funding was utilized by something other than an event or program, please indicate how City funds were utilized here.

(Please use additional sheets, if necessary)

6) How was the public notified that this event, activity, or program was partly funded by the City?

(Please attach copies of materials/flyers, newspaper clippings, etc., which verify information)

7) Please indicate the total amount received by your organization under the terms of the Contract identified in Box 4:

\$	
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