

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 4, 2022

CAO File No. 0150-12000-0000
Council File No. 21-0270
Council District: Various

To: The Mayor
The Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Economic and Workforce Development Department Transmittal dated November 19, 2021; Received by the City Administrative Office on November 24, 2021; Additional Information Received through December 7, 2021

Subject: **REQUEST TO APPROVE CONTRACTOR SELECTION AND EXECUTION OF CONTRACTS PURSUANT TO THE RESULTS OF THE 2021 LOS ANGELES BUSINESSSOURCE CENTER OPERATORS REQUEST OF PROPOSALS AND TO REISSUE THE RFP FOR THE WEST VALLEY AND SOUTH LOS ANGELES SERVICE AREAS**

RECOMMENDATION

That the Council, subject to the approval of the Mayor:

1. Approve the list of recommended operators selected through the Los Angeles BusinessSource Center (LABSC) Operators Request for Proposals (RFP) process;
2. Authorize the General Manager of Economic and Workforce Development Department (EWDD), or designee, to:
 - a. Negotiate and execute contracts with the agencies selected to become LABSC Operators, for the initial period of six months, effective January 1, 2022 through June 30, 2022 with an option to extend for three additional 12-month periods, in substantial conformance with the draft contract attached to this report, subject to the review and approval of the City Attorney as to form and legality, compliance with City's contracting requirements and federal guidelines, and contingent on available grant funding;
 - b. Establish a LABSC Operator Replacement List to be effective for three years, commencing on January 1, 2021 to include any BSC proposer that attained a score of 70 points or greater, during the 2021 LABSC RFP process;
 - c. Reissue the RFP to select the LABSC Operators for the West Valley Service Area

- and the South Los Angeles Service Area, and upon completion of the RFP evaluation process to submit recommendations for contractor selections to the City Council and Mayor for review and approval;
- d. Execute amendments to extend the current contracts for LABSC System Operators for the West Valley and South Los Angeles Service Areas for up to six months, pending the re-issuance of the RFP and operator selection process for those service areas; and,
3. Instruct EWDD to report back to the City Council before the selection of a new LABSC operator from the BSC Operator Replacement List.

SUMMARY

The Economic and Workforce Development Department (EWDD) requests authority for various items related to the Los Angeles BusinessSource Centers (LABSC) program. This includes the authority to: 1) execute eight new agreements with six agencies for the operation of eight LABSC; 2) establish a replacement list of potential operators in the event that an operator is unable to fulfill its contractual responsibilities; and, 3) reissue the Request for Proposal (RFP) for the West Valley and South Los Angeles Service Areas.

In a Transmittal dated November 19, 2021 (C.F. 21-0270), the EWDD requested Mayor and Council approval of the results of the RFP issued on July 29, 2021. The RFP included several fundamental changes to enhance the system including the creation of a tenth service area, a more equitable distribution of funds, new measures to track economic impact, and a requirement to leverage partnerships. Sixteen proposals were received by the submission deadline. One appeal was received from Vermont Slauson Local Development Corporation (VSLDC) in response to the RFP, which was subsequently denied by the appeals board. Additional information regarding the RFP process and LABSC services can be found in EWDD's Report.

The EWDD is requesting the authority to negotiate and execute contracts with the recommended operators in eight out of the 10 LABSC service areas throughout the City. The recommended operators are provided on the following table:

Service Area	Recommended Operator Name	Council Districts	PY 2021-22 Funding Amt. Jan22 – June22	PY 2022-23 Funding Amt. July22 – June23
Southeast LA	Coalition for Responsible Community Development	9, 14	\$362,500	\$725,000
Watts	Vermont Slauson LDC, Inc	8, 9, 15	\$362,500	\$725,000
East LA	New Economics for Women	1, 14	\$362,500	\$725,000
Pico-Union/Westlake	Pacific Asian Consortium in Employment	1, 4, 13, 14	\$362,500	\$725,000
Harbor	Managed Career Solutions Social Purpose Corporation	15	\$287,500	\$575,000
Hollywood	Pacific Asian Consortium in Employment	4, 5, 10, 13	\$287,500	\$575,000
North Valley	Initiating Change in Our Communities CDC	6, 7	\$287,500	\$575,000
South Valley	Initiating Change in Our Communities CDC	2, 4	\$287,500	\$575,000

Initial operator contracts will be commencing on January 1, 2022, and concluding on June 30, 2022. All contracts will have an option to renew or extend for an additional three (3), 12-month periods. Part of the transition plan requires EWDD to extend the contracts of the existing operators by one month to accommodate the transition from the current operator to the newly selected operator.

In addition, EWDD is requesting authority to establish an LABSC Replacement Operator List consisting of the agencies that attained a satisfactory score of 70 points or greater. Should an operator be unable to fulfill its contractual responsibilities, this will allow for qualified proposers take the place of that operator. The proposed LABSC Replacement Operator list is as follows:

1. Coalition for Responsible Community Development
2. Initiating Change in Our Communities CDC
3. Managed Career Solutions Social Purpose Corporation
4. New Economics for Women
5. Pacific Asian Consortium in Employment
6. Vermont Slauson LDC, Inc.

Lastly, EWDD requests approval to reissue the RFP to seek responsive and qualified operators for the West Valley and South Los Angeles Service Areas. There were two agencies that applied in South LA, for which one did not meet the required minimum score threshold, while the other did not meet the application deadline. The West Valley Service Area received three proposals, however all were deemed non-responsive, not qualified, or not cost-effective. EWDD requests to extend the service contracts with the current agencies for no longer than six months while the RFP is reissued in these areas. EWDD will submit recommendations for operator selection and contract authority to the City Council and Mayor for review and approval upon completion of the reissued RFP.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The Los Angeles BusinessSource Center System will be fully funded by the Community Development Block Grant. These funds are allocated on an annual basis through the Consolidated Plan.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies in that the proposed Los Angeles BusinessSource Center contracts will be funded by the Community Development Block Grant funds.

MWS:ALA:02220080

Attachment

CITY OF LOS
ANGELES
STANDARD
LANGUAGE FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
AGREEMENT

Agreement No. Los Angeles BusinessSource Center
Project Title: Harbor
Contractor: Managed Career Solutions, SPC.
Doing Business As: N/A
Type of Organization: For Profit
Corporate Number: C1703984
D-U-N-S® (Data Universal
Numbering System) Number: 61-409-4019
Assistance Listing (formerly
CDFA) Number: 14.218
Federal Award
Identification Number
(FAIN): B-21-MC-06-0523
Federal Award Date: 8/18/21

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EXHIBITS

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EXHIBIT K	CERTIFICATION REGARDING DRUG FREE WORKPLACE REQUIREMENTS

AGREEMENT NUMBER _____ OF CITY CONTRACTS
BETWEEN
THE CITY OF LOS ANGELES
AND
MANAGED CAREER SOLUTIONS, SPC.

THIS AGREEMENT is entered into between the City of Los Angeles, a municipal corporation ("City"), and Managed Career Solutions, SPC., California For Profit Special Purpose Corporation ("Subrecipient" or "Contractor"), for the provision of services related to the Los Angeles BusinessSource Center (LABSC) Program.

RECITALS

WHEREAS, the City has entered into a Grant Agreement with U. S. Department of Housing and Urban Development, ("Grantor" or "HUD"), to address the needs of the City, and the Grantor has awarded Community Development Block Grant ("CDBG") funds to the City for this purpose; and

WHEREAS, the City's Economic and Workforce Development Department ("EWDD"), has been designated by the City to provide for the proper planning, coordination, direction and management of the City's various economic development activities; and

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

WHEREAS, the LABSC Program that is the subject of this Agreement, has been established by the City as one of the above described programs, and has been funded in the EWDD budget by HUD pursuant to the CDBG Program; and

WHEREAS, the LABSC Program meets HUD requirements for the use of CDBG funds by involving special economic development activities which benefit low and moderate income persons by satisfying the job creation national objective; and

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

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

WHEREAS, the City and the Subrecipient are desirous of executing this Agreement as authorized by the City Council and the Mayor (refer to Council File Number 20-1433 dated June 18, 2021) that authorizes the General Manager of EWDD to prepare and execute the Agreement.

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

1. INTRODUCTION

§101 TERMS OF AGREEMENT

This Agreement including all exhibits and attachments, including, but not limited to, the Standard Provisions for City Contracts (Rev. 10/2021 v.4), which is attached hereto as Exhibit A and incorporated herein by reference, shall constitute the terms of this Agreement.

§102 NOTICES

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

A. The City, represented by:

Carolyn M. Hull, General Manager
Economic and Workforce Development
Department 1200 West 7th Street, Sixth Floor
Los Angeles, CA90017

With copies to:

Daysi Hernandez, Chief Grants Administrator
Economic Development Division

B. The Subrecipient, represented by:

Philip Starr, Executive Director
3333 Wilshire Blvd., Ste 405
Los Angeles, CA 90010

§103 SERVICE OF NOTICES

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

§104 CONDITIONS PRECEDENT TO THE EXECUTION

- A. Prior to execution of this Agreement, Subrecipient shall provide the City with the documents listed below. Subrecipient shall provide immediate updates to these documents to the City during the Term hereof in the event that the information changes.
 1. A current list of the members of the Board of Directors with their individual addresses where they may be reached.
 2. Subrecipient's Articles of Incorporation and all amendments to those Articles, as filed with the Secretary of State.
 3. Subrecipient's Bylaws, and all amendments to those Bylaws, as adopted by Subrecipient and properly attested.
 4. Resolutions of Executorial Authority or other corporate actions of the Subrecipient's Board of Directors, properly attested or certified, which specify the name(s) of the person(s) authorized to obligate Subrecipient and execute contractual documents. If the authorized person is someone other than Subrecipient's Corporate President, then Subrecipient shall also submit a copy of a signature specimen(s) on a form provided by the City.
 5. A current and valid license to do business in the City of Los Angeles. Subrecipient represents that it has obtained and presently holds the Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, §21.00, *et seq.*, of the Los Angeles Municipal

Code). For the term of this Agreement, Subrecipient shall maintain, or obtain as necessary, all Certificates required of it under the Business Tax Ordinance and shall not allow the Certificates to be revoked or suspended.

6. An Internal Revenue Service taxpayer identification number.
7. A Subrecipient Responsibility Ordinance Questionnaire in accordance with PSC-31 of the Standard Provisions for City Contracts and Los Angeles Administrative Code §10.40 *et seq.*
8. A Certification Regarding Notice of Prohibition Against Retaliation attached hereto as Exhibit "C" and incorporated herein by reference. Subrecipient shall comply with the requirements of the Notice of Prohibition Against Retaliation as it relates to the Living Wage Ordinance.
9. A Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion, fully executed in accordance with Executive Orders 12549 and 12689, and 29 CFR Parts 97.35 and 98.510, and attached hereto as Exhibit "D" and incorporated herein by reference.
10. A Certification Regarding Lobbying, fully executed in accordance with City Directive 91-3 (July 27, 1990) and attached hereto as Exhibit "E" and incorporated herein by reference. Subrecipient shall comply with all provisions of 31 USC §1352 *et seq.* and 29 CFR Part 93.
11. A Certification of Compliance With Equal Benefits Ordinance/Reasonable Measures Application for Equal Benefits Ordinance in accordance with PSC-26 of the Standard Provisions for City Contracts and Los Angeles Administrative Code §10.8.3.
12. Compliance and/or completion of the Disclosure Ordinance Affidavit setting forth the requirements of the Slavery Disclosure Ordinance in accordance with PSC-33 and compliance with the First Source Hiring Ordinance in accordance with PSC-34, available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org, prior to award of a City contract.
13. Completion of the requisite affidavit in compliance with the Disclosure of Border Wall Contracting Ordinance, in accordance with the Los Angeles Administrative Code § 10.50.
14. A Management Representation Statement fully executed in accordance with City's fiscal policies and attached hereto as Exhibit "F" and incorporated herein by reference.
15. An Iran Contracting Act of 2010 Compliance Affidavit in accordance with PSC-36 of the Standard Provisions for City Contracts.
16. A Code of Conduct that meets the requirements of §504(B) herein.

B. Conditions Precedent to Disbursement

Prior to the disbursement of funds hereunder, Subrecipient shall submit to the City for approval in writing the following documents:

1. Insurance Certificates -The requirements and instructions for completing, executing, and submitting evidence of insurance to the City are set forth in the City's Insurance Requirements, attached hereto as Exhibit B and incorporated herein by reference, and more fully described in §502 herein below.
2. If the City has approved the advancement of CDBG funds to Subrecipient, a Special Bank Account Agreement with a bank for the deposit of the advanced CDBG funds. The Special Bank Account Agreement shall be on a form supplied by the City that sets forth the right of the City to exercise a suspension of business upon proper notice to the bank by the City.

§105 SUBRECIPIENT'S ADMINISTRATIVE AND PERSONNEL DOCUMENTS

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

- A. Subrecipient's Financial and Accounting Procedures, which incorporate Generally Accepted Accounting Principles (GAAP) including, but not limited to, the preparation and submission of invoices, reconciliation of cash on-hand and earnings with City records, reporting and tracking of customer activity and earnings, repayment of unearned funds, preparation for the resolution of audits and inspections,

inventory control, reporting and tracking of program income.

- B. Subrecipient's Personnel Policy, which incorporates due process protection and standard personnel procedures, and which the Subrecipient agrees to abide by in the performance of this Agreement.
- C. Agreements with Other Funding Sources: A copy of any agreements between Subrecipient and other public or private organizations that directly impact the activities funded under this Agreement shall be kept on file at Subrecipient's offices and be provided to the City upon Agreement execution. Subrecipient shall also notify City of any default, termination, or finding of disallowed costs under these agreements. Subrecipient warrants that no other funding source will be billed for services that are provided and paid for by the City under this Agreement.
- D. Board of Director's meeting minutes.
- E. Community Based Development Organization (CBDO) Status, if applicable: Subrecipient shall maintain on file current and complete documentation on its continuing status as a CBDO in accordance with CDBG regulations defined at 24 CFR 570.204(c); such documentation to include, but not be limited to, Internal Revenue Service (IRS) tax-exempt status, evidence of certification as a CBDO by the City of Los Angeles, program activity reports and other data supporting community development activities as one of its primary purposes. Subrecipient shall notify the City promptly of any circumstance or facts that may arise such that its CBDO status may be revoked.

§106 SUBRECIPIENT'S DUTY TO NOTIFY CITY OF CHANGES

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

§107 DEFINITIONS

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

- A. "Agreement" means this Agreement entered into by and between the City and Subrecipient.
- B. "Budget" means a detailed line item breakdown of expenses incurred in the performance of the Scope of Work (Exhibit G) including identification of other fund sources and cost allocation of all shared costs.
- C. "Certification Form" means the Assisted Activity Job Creation Form 2020, the form of which is attached hereto as Exhibit J-1 or the Assisted Activity Job Retention Form 2020, the form of which is attached as Exhibit J-2.
- D. "Contractor" means Managed Career Solutions, Inc., a For Profit Corporation.
- E. "CFR" means the Code of Federal Regulations that set forth the authority, terms and conditions for the use of federal funds, including the CDBG funds provided by to Subrecipient.
- F. "City" means the City of Los Angeles, a municipal corporation.
- G. "City Directives" means official documents used to add additional requirements to the Agreement and bare the same weight as the Agreement.
- H. "Client" means a person who resides and/or a business owner whose business is located in the City enrolled to receive services with the Subrecipient.
- I. "Effective Date" means the date this Agreement is date-stamped by the Los Angeles City Clerk after full execution by the parties.
- J. "Eligible Costs" means those reasonable and eligible costs incurred in the performance of the Scope of Work (Exhibit G) and which the City is authorized by the CFR to either pay or to provide reimbursement

to Subrecipient in accordance with the Budget and which are otherwise allowable under Section 403 herein.

- K. "EWDD" means the Economic and Workforce Development Department of the City of Los Angeles.
- L. "FTE" means full-time equivalent jobs.
- M. "Green Business" means businesses that produce goods or produce services that benefit the environment or conserve natural resources or involve production processes more environmentally friendly or use fewer natural resources.
- N. "Green Job" means jobs in businesses that produce goods or produce services that benefit the environment or conserve natural resources or in which worker's duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources.
- O. "Household" means all persons occupying a housing unit, as defined in 24 CFR 570.3. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.
- P. "HUD" or "Grantor" means the U.S. Department of Housing and Urban Development.
- Q. "Information Bulletins" means resource guides that provide consistent and uniform interpretation of Department, City, State and Federal policies, directives and procedures.
- R. "LMJ" means low- to moderate- income job creation/or retention activities. The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least fifty one percent (51%) of which (computed on a FTE basis) will be made available to or held by LMI persons.
- S. "LMI" means persons in low- and moderate-income households based on HUD determined income schedule, subject to change from time to time.
- T. "Program Location" means 222 W. 6th Street #320 San Pedro, CA 90731 as the facility designated as the site under this program. A list of satellite locations must be submitted within 30 days after the contract execution date. Any changes to the Program Location and satellite locations must be submitted in writing to the City 60 days in advance.
- U. "Subrecipient" means Managed Career Solutions, Inc., a For Profit Corporation.
- V. "Term" means all requirements incorporated herein shall be performed from January 1, 2022 to June 30, 2022.

2. TERM, SCOPE OF WORK, BUDGET AND PROJECT ELIGIBILITY

§201 TIME OF PERFORMANCE

- A. The term of this Agreement shall be from **January 1, 2022 to June 30, 2022**, and any additional time as may be necessary to close out activities, provided that said term is subject to the provisions of this Agreement ("Term"). Performance shall not commence until the City has approved all of the required documents described hereinabove, and is in receipt of those and/or other documents as described herein.
- B. The City may, at its discretion, agree to extend the Term and/or provide additional funds to Subrecipient. Funding for contract extensions will be based on the availability to the City of state and/or federal funds and upon the Subrecipient's successful performance of all terms of this Agreement.

§202 SCOPE OF WORK AND SUBRECIPIENT RESPONSIBILITY

Subrecipient shall provide free business services to persons who reside and business owners whose businesses are located in the City resulting in creating and retaining jobs, and create a more sustainable and livable city. The detailed Scope of Work is attached hereto as Exhibit G and incorporated herein by reference. Subrecipient shall complete the Scope of Work during the Term, except as otherwise provided herein.

§203 BUDGET

Subrecipient shall submit to the City for approval prior to the disbursement of any funds hereunder a proposed Budget. The Budget shall be prepared in accordance with the budget guidelines to be provided by the City. The Budget is a detailed listing of items for expenditure and scope of service(s) under the terms herein. The Budget shall be submitted with all backup documentation as required and/or a cost allocation plan, if necessary and appropriate. All requests to modify the Budget must be made in writing and must be approved in writing by the City. The Budget shall also describe all subcontractor services to be used by the Subrecipient and the payment procedures for subcontractors.

§204 IDENTIFICATION OF PROJECT ELIGIBILITY/NATIONAL OBJECTIVES:

- A. This program is eligible under 24 CFR 570 *et seq.* as follows (indicate all appropriate letters and sub-numbers; project may be eligible under several criteria):
- | | |
|---|-----------------|
| 201 (a-q) <u>o</u> (o for Microenterprises) | 204 (a) _____ |
| 202 (a-c) _____ | 205 (a) _____ |
| 203 (a-c) <u>b</u> (b for Technical Assistance) | 206 (a-h) _____ |
- B. All programs funded with CDBG funds must meet one of three national objectives. This project meets the following national objective (check only one):
1. X Activities benefiting very low and low-income persons under 24CFR 570.208(a)
 - a. _____ Area-wide benefit project affecting _____ percent very low and low income persons as indicated in the 2010 census.
 - b. _____ Limited-Clientele activities: 570.208(a)(2): A ; B ; C ; D ____
 - c. _____ Housing activities
 - d. X Job Creation/Retention activities that are designed to create or retain jobs for at least 51% very low and low income persons.
 2. _____ Activities which aid in the prevention or elimination of slums or blight, under 24 CFR 570.208 (b).
 - a. _____ Activity is located in a slum or blighted area, which has been (check one):
 _____ designated as a Redevelopment Project Area;
 List conditions of slum or blight to be addressed by the project. (Complete only for projects qualifying under 570.208 (b)(1), prevention or elimination of slums or blight.)
 - b. _____ Activity is located outside a slum or blighted area, but qualifies under spot slum and blight conditions.
 - c. _____ Activity will address slum or blight in an urban renewal/ redevelopment area.
 3. _____ Activities designed to meet community development needs having a particular urgency, under 24CFR 570.208 (c).
- C. Subrecipient, during the Term, shall not perform services, or otherwise engage in any activities, that are not consistent with the national objective and project eligibility. Should the City determine that Subrecipient has performed services or otherwise engaged in activities not in furtherance of the national objective and/or project eligibility, then the City may disallow payment for such services/activities, terminate this Agreement and/or take any other actions as authorized herein.

§205 JOB CREATION/RETENTION REQUIREMENT

Subrecipient shall fully comply with 24 CFR 570.208(a)(4) and all other applicable provisions of CFR that govern the Job Creation or Retention Activities Requirement.

- A. Subrecipient shall fully comply with the following as a condition of this City Agreement:
1. Meet the LMJ Requirement, which satisfies the National Objective and/or Public Benefit eligibility requirements of this Agreement.

2. Collect and maintain documentation that meets the criteria established in 24 CFR 570.506 and that documents and adequately supports satisfaction of the LMJ Requirement, including, but not limited to, the items listed below:
 - a. Assisted Activity Job Creation/Retention Certification Form 2021 (**Exhibit J-1** and **Exhibit J-2**);
 - b. City of Los Angeles Assisted Activity Job Information Report listing employees with positions titles prior to receiving services (**Exhibit J-3**); and
 - c. City of Los Angeles Assisted Activity Job Information Report listing employees with position titles after receiving services (**Exhibit J-3**).
 3. By signing this Agreement, Subrecipient authorizes EWDD to conduct independent, voluntary income verification as appropriate and where allowable under State and federal law.
 4. Subrecipient must verify that each business fulfills its responsibilities for meeting its share of the LMI job requirements and for maintaining the necessary records and providing periodic reports, the agreement between the Subrecipient and the business should specify these requirements.
- B. In accordance with 24 CFR 570.208(a)(4), Subrecipient shall provide evidence acceptable to the City that it has created or retained not less than **Forty Five (45) permanent FTE jobs** within the Term, of which at least Twenty Three (23) FTE jobs, or Fifty-One percent (51%), must either be: (a) filled by LMI persons, or (b) made available to LMI persons subject to 24 CFR 570.208(a)(4)(iii). Subrecipient shall document compliance with the Job Creation/Retention Requirement using the Certification Forms.
- C. Subrecipient's satisfaction of the Job Creation/Retention Requirement shall be subject to the following:
- a. For any jobs that are not held or filled by an LMI person, but which Subrecipient wants to be considered as having been "made available" to LMI persons for purposes of satisfying its Job Creation Requirement, the requirements of 24 CFR 570.208(a)(4)(iii) must be satisfied, as evidenced by documentation acceptable to EWDD, including, but not limited to, the following:
 - i. An express commitment by Subrecipient that it will make available to LMI persons, new permanent FTE jobs, and that special skills that can only be acquired with substantial training, work experience or education beyond high school are not a prerequisite to fill such jobs, or Subrecipient agrees to hire unqualified persons and provide training; and
 - ii. A listing of available jobs posted at EWDD administered WorkSource Centers as evidence that LMI persons received first consideration for these jobs; and
 - iii. Documentation of Subrecipient's efforts to meet its Job Creation Requirement hereunder, including submittal of a completed Certification Form or other documentation requested by City. Subrecipient shall also provide EWDD with a description of the hiring process used and the names of the LMI persons interviewed for each job, and those hired.
 - b. For any jobs that are held or filled by an LMI person, for purposes of satisfying Subrecipient's Job Creation Requirement, the requirements of 24 CFR 570.208(a)(4) must be satisfied, as evidenced by documentation, including, but not limited to, the following:
 - i. For each LMI person hired, information on the size and annual income of the person's family prior to the time the person was hired for the job, or evidence that the person may be presumed to be LMI based on the location of the business or the person's residence, as per 24 CFR 570.208 (a)(4)(iv).
 - c. For any jobs that are retained, as per 24 CFR 570.208 (a)(4)(ii) the Subrecipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:
 - i. The job is known to be held by a low- or moderate-income person; or
 - ii. The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.
- D. Penalties

This section is not applicable to this Agreement.

E. Termination of Agreement

This section is not applicable to this Agreement

3. **COMPENSATION**

§301 SUBRECIPIENT COMPENSATION

A. Compensation

1. The City shall pay Subrecipient an amount not to exceed Two Hundred Sixty Two Thousand Five Hundred Dollars and Zero Cents (\$262,500), for the complete and satisfactory performance of the Scope of Work (Exhibit G). These funds shall be allocated from 47th Program Year CDBG funds and shall be expended in accordance with the approved Budget. Subrecipient's right to receive compensation is conditioned upon approval of the Budget by the City, compliance with the City's indemnification and insurance requirements, satisfactory performance of the Scope of Work, and compliance with the terms and conditions contained herein. The funds will be allocated as follows:

FUNDING ALLOCATION TABLE

2. In no event shall	Funding Source and Eligible Activity	Amount
	CDBG - 18B ED Technical Assistance (Small Businesses)	\$78,750.00
	CDBG - 18C Microenterprise	\$183,750.00
	Total Allocation	\$262,500.00

If the final expenditures for the Term exceed the total compensation set forth above except as provided for by an amendment to this Agreement.

3. Subrecipient's reimbursement for expenses incurred in the performance of the Scope of Work shall be made only upon acceptance by the City of the Subrecipient's invoice and supporting documentation as described in the Reporting Requirements, Section 601 hereinbelow.
4. Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders, or other accounting documents shall be clearly identified and readily accessible. Undocumented expenditures shall not be paid under this Agreement.
5. The City shall pay Subrecipient for salaries and eligible, allowable, and reasonable expenses as detailed in the approved Budget.
6. Subrecipient shall be paid either on a cost reimbursement or advance basis. If the Subrecipient were to receive advance funds, it must execute a City approved Special Bank Account Agreement before receipt of funds and shall comply with all contract and regulatory requirements for safeguarding advance funds. Request for advance payment basis is subject to City approval. A Subrecipient on a cost reimbursement basis of payment shall be paid by the City only upon reporting of actual costs incurred.

B. Funding of Agreement

Funding for the Scope of Work and Budget is subject to the continuing availability of federal funds for this program to the City. This Agreement may be terminated immediately upon written notice to Subrecipient of a loss or reduction of grant funds.

C. Payment to the Subrecipient

1. The City makes no commitment to fund this project beyond the initial Term of this Agreement. The City shall review Subrecipient's performance on a periodic basis. In the event the City determines that Subrecipient is not meeting its proposed performance measures, the City may unilaterally reduce the compensation set forth above in compliance with the provisions set forth in this Agreement, upon written notice to Subrecipient and as set forth by a written amendment.
 2. Subrecipient shall be reimbursed for reasonable and allowable expenses incurred. Unless Subrecipient has been approved to receive advance payments, all payments shall be on reimbursement basis. Subrecipients who are on an advance payment plan authorized by the City as described in the Budget shall bill the City for all reasonable and allowable costs incurred.
 3. Subrecipients not on advance payment plan shall request reimbursements by submitting the cash request, monthly expenditure report and all other documents as required by City. Subrecipient shall be reimbursed after City has received the monthly expenditure report and all other required documents and after City determines that Subrecipient has incurred and expended funds for reasonable and allowable costs under this Agreement.
 4. Reasonable and allowable costs shall be determined pursuant to the Allowable and Unallowable Cost section herein.
- D. Stand-In Costs: Subrecipient shall identify, document, and account for stand-in costs. These stand-in costs shall be reported to the City on a quarterly basis.
- E. Profit: Subrecipient shall comply with any City Directives regarding profit or return on investment.
- F. Indirect Costs: Payment for indirect costs, if any, shall be released in accordance with instructions stated in the Federal Cognizant Agency's approval letter of indirect cost rates on file with the City pursuant to the Single Audit Act and the provisions of 2 C.F.R. Part 200, which provisions supersede the Office of Management and Budget (OMB) circulars.
- G. Applicable Discounts: Subrecipient warrants that any applicable discounts have been included in the costs billed to the City.
- H. Concurrent Enrollment: If the Subrecipient is serving customers, concurrently utilizing more than one funding stream, the Subrecipient is responsible for tracking the services delivered and the expenditures reported to ensure that services and expenditures are not duplicated.
- I. Match Requirements: Subrecipient shall report in its invoice the required match of non-federal funds, if applicable. If required to provide a match of funds, as set forth above in this compensation section of this Agreement, Subrecipient shall report in each invoice the funds being matched. Documentation shall be maintained and made available for review.
- J. Overtime Work: Unless specifically stated herein or authorized by the City in writing, Subrecipient shall not incur overtime work expenditures.
- K. Travel must be approved in advance by the City and included in the Budget. Subrecipient shall be compensated for its reasonable travel expenses incurred in the performance of the Scope of Work and in compliance with 2 C.F.R. §200.474.
- L. Reallocation of Funds: City reserves the right to unilaterally decrease funds allocated to Subrecipient in the event that the City determines that (i) Subrecipient has failed to provide adequate services as required in this Agreement, (ii) Subrecipient, based on its spending pattern as evidenced by invoices submitted, will have unexpended funds at the end of the Term, or (iii) City determines that a reallocation of funds would better meet program objectives. Such reallocation of funds may be by written amendment to this Agreement or unilaterally imposed by the City by written notice to Subrecipient.

4. **METHODS AND PROCEDURES GOVERNING PAYMENT**

§401 WITHHELD PAYMENTS

- A. Unearned payments under this Agreement may be suspended or not released if funds granted to the City are suspended or terminated.
- B. The City has the authority to withhold funds under this Agreement pending a final determination by the City of questioned expenditures or indebtedness to the City arising from past or present agreements between the City and the Subrecipient. Upon final determination by the City of disallowed expenditures or indebtedness, the City may deduct and retain the amount of the disallowance or indebtedness from the amount of the withheld earned funds.
- C. In the event of a final determination of disallowed costs or a determination of unearned grant funds by either the City, the State, or Grantor, Subrecipient agrees that it shall pay to the City in non-federal funds, the amount of the final disallowance within thirty (30) days of receipt of notice from the City that such funds are due.
- D. Payments to the Contractor may be unilaterally withheld or reduced by the City if the Contractor fails to comply with the provisions contained herein.

§402 FUNDS EARNED PRIOR TO THE COMMENCEMENT OF THIS AGREEMENT

Contractor shall not earn funds provided hereunder prior to the commencement or after the end of the Term. Contractor shall not earn funds subsequent to suspension or termination of this Agreement.

§403 ALLOWABLE AND UNALLOWABLE COSTS

- A. To be eligible for payment, costs or expenditures must be made in compliance with the terms herein, and the provisions of 2 C.F.R., Part 200, which provisions supersede OMB A-122, and with the principles set forth below:
 - 1. Be necessary and reasonable for the proper and efficient performance of the Scope of Work and in accordance with the Budget; the City shall have final authority to determine in good faith whether an expenditure is necessary and reasonable.
 - 2. Conform to the limitations within these general conditions and to any governing statutes, regulations and ordinances.
 - 3. Be fully documented and determined in accordance with GAAP.
 - 4. Not be included as a cost or used to meet cost sharing or matching requirements for any other government funding source in either the current or a prior period, except when permitted by the respective government funding sources.
- B. The following costs, among others, are specifically disallowed:
 - A. Bad Debts: Any losses arising from un-collectible accounts and other claims, and related costs.
 - B. Contingencies: Contributions to a contingency reserve or any similar provisions for unforeseen events.
 - C. Contributions and donations.
 - D. Rent payment for a Contractor-owned building/space or a building/space owned by any of the members of the Board of Directors.
 - E. Entertainment: Costs of amusements, social activities and incidental costs, such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity.
 - F. Fines and Penalties: Costs resulting from violations of, or failure to comply with federal, State, and local laws and regulations.
 - G. Interest and Other Financial Costs: Interest or borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith.
 - H. Membership Expenses: Costs of membership in any organization that devotes a substantial part of its activities to influencing legislation.

- I. Non-competitive Subcontracts: Payments under a subcontract not obtained under competitive bidding procedures unless specifically waived in writing by the City.
- J. Insurance policies offering protection against debts established by the federal government.
- K. Errors on the Expenditure report: Expenses incorrectly allocated, duplicate general ledger entries, expenses charged under the incorrect general ledger account, expenses incorrectly charged to one LABSC when incurred by another LABSC (in the case if the Contractor is operating two or more LABSC), errors in calculating the total expense, and insufficient documentation.
- L. Expenses triggering the Davis-Bacon Act such as construction or repair work.
- M. Expenses or salaries capped out per the approved budget or incurred in prior years.
- N. Costs prohibited by 2 C.F.R. §200.450 include Lobbying or costs related to any activity designed to influence legislation or appropriations pending before the Congress of the United States.
- O. Advancements or reimbursements for expenditures that are determined by the City to be unallowable must be immediately returned to the City.
- P. Grant funds may not be used to supplant existing services.

§404 PROGRAM INCOME

- A. Program income is defined as income earned through the activities funded hereby and as set forth in 2 CFR 200.80 and 200.307. Program income includes, but is not limited to, grants, fees that duplicate payments, average daily attendance payments earned through program funded activities and public or nonprofit agency revenues in excess of contract costs.
- B. Interest earned on advances received by Contractor is program income. All interest earned must be reported as part of the Contractor's monthly expenditure report and must be returned to the City quarterly by separate check made payable to the City and which identifies that the amount represents interest earned on advanced funds.
- C. Any program income must be reported to the City on the expenditure report, and must be returned to the City in accordance with the City's written direction to the Contractor. At the City's discretion, program income may be used to augment the Contractor's program. Use of program income is permitted only by written amendment to this Agreement. Should this use of program income be approved, Contractor shall maintain records in support of all earnings and expenditures relating to the use of those funds in accordance with City record retention and audit requirements. The City shall monitor Contractor's compliance with all program income requirements.
- D. Contractor's failure to comply fully with program income requirements including any City Directives or regulations shall result in findings of disallowed costs.

§405 RETURN OF PROGRAM INCOME

Contractor shall, within forty-five (45) days of the end of the Term, transmit to the City any, and all, remaining program income directly generated by funds provided hereby.

§406 RETURN OF UNEXPENDED FUNDS AND CLOSEOUTS

- A. Contractor agrees that upon either the completion or termination of this Agreement any unexpended funds, whether advances, interest earned on advances or unearned funds, shall be immediately returned to the City and in no event later than forty-five (45) days after completion or termination.
- B. Contractor shall submit a complete and accurate final closeout invoice of costs and reimbursements for services performed hereby to the City within forty-five (45) days following the termination or completion of this Agreement. Failure by Contractor to comply with the 45 day requirement may result in a unilateral close-out by the City based on previous invoices filed with the City, and/or the imposition of sanctions as specified herein. Requests for payment after the 45 days shall not be paid by the City.

§407 VALIDITY OF FINANCIAL DOCUMENTATION SUBMISSIONS

Financial reports submitted to the City shall be accurate and correct in all respects. Should inaccurate reports be submitted to the City, the City may elect to have the Contractor secure the services of a licensed accounting firm. Cost of such accounting services are to be borne by the Contractor and are not to be reimbursed from the

funds authorized hereby unless specifically agreed to between Contractor and the City by written amendment.

5. STANDARD PROVISIONS

The provisions of the body of this Agreement shall prevail over the provisions of the Standard Provisions for City Contracts should there be any inconsistency. The term "contract" as used in the Standard Provisions for City Contracts shall include this Agreement.

§501 ACCESSIBILITY REQUIREMENTS

In implementing this Agreement, Contractor represents and certifies that it will:

- A. 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 of 1968, as amended, 42 U.S.C. Sections 3601-3620, and its implementing regulations and any subsequent amendments; and California Government Code Section 11135, *et seq.*
- B. Not discriminate in the provision of its programs, services or activities 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. Provide reasonable accommodation upon request to ensure equal access to all of its programs, services and activities.

Contractor represents and certifies that any construction for housing performed with funds provided through this Agreement will be done in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40 and the City's Accessible Housing Program requirements.

Contractor represents and certifies that its buildings, and facilities used to provide services in accordance with this Agreement, 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 the City is relying upon these certifications and representations as a condition to funding this Agreement.

Contractor will require its subcontractors, if any, to include this language in any subcontract.

§502 INSURANCE

A. General Conditions

1. During the Term and without limiting Contractor's duty of indemnification herein, Contractor shall provide and maintain at its own expense a program of insurance having coverage and limits customarily carried and actually arranged by the Contractor but not less than the amounts and types listed on the Required Insurance And Minimum Limits Sheet (Form Gen. 146) in Exhibit B hereto, covering its operations hereunder. Such insurance shall conform to City requirements established by Charter, ordinance or policy, shall comply with instructions set forth on the City of Los Angeles—Instructions And Information On Complying With City Insurance Requirements (Revised 05/18) document, and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. Specifically, such insurance shall: 1) protect City as an Insured or an Additional Interest Party, or a Loss Payee As Its Interest May Appear, respectively, when such status is appropriate and available depending on the nature of applicable coverage; 2) provide City at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at option of the insurer; and 3) be primary with respect to City's insurance plan. Except when City is a named insured, Contractor's insurance is not expected to respond to claims which may arise from acts or omissions of the City.
2. The standard City insurance conditions are incorporated into the sample standard subcontract provisions. The specific insurance coverage and limits shall be described by Contractor in any request for proposal (RFP) for subcontractors services. These coverage and limits should be tailored to the individual subcontract. For City contracts, Required Insurance and Minimum Limits are set by the City Risk Management staff in the Office of the City Administrative Officer on the Form Gen. 146. Electronic submission is the preferred method of submitting evidence of insurance documents.

KwikComply™ is the City's online insurance compliance system which is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used primarily by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form, the ACORD 25 Certificate of Liability Insurance, in electronic format. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access KwikComply™ at <https://kwikcomply.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf. Additional instructions and information on complying with City insurance requirements can be found at http://cao.lacity.org/risk/Submitting_proof_of_Insurance.pdf.

B. Modification of Coverage

City reserves the right at any time during the Term 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, City agrees to negotiate additional compensation proportional to the increased benefit to City.

C. Failure to Procure Insurance

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

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

D. Workers' Compensation

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

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

§503 NONDISCRIMINATION AND AFFIRMATIVE ACTION

- A. Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, Contractor shall not discriminate in its employment practices, including compensation, against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical disability, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief. Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).
- B. Contractor shall comply with the provisions of the Los Angeles Administrative Code §§10.8 through 10.13, to the extent applicable hereto. If this Agreement contains a consideration of One Thousand Dollars (\$1,000) or more, Contractor shall comply with the Equal Employment Practices Provisions of the Los Angeles Administrative Code Section 10.8.3., in which event, said provisions are incorporated herein by this reference. If this Agreement contains a consideration of Twenty-Five Thousand Dollars (\$25,000) or more, the Affirmative Action Program of this Agreement shall be the mandatory contract

provisions set forth in Los Angeles Administrative Code §10.8.4, in which event, said provisions are incorporated herein by this reference. Contractor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City.

- C. Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.
- D. No person shall on the grounds of race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical disability, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this program/project. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in situation as defined therein.
- E. Contractor agrees to adhere to the Non-Discrimination/Equal Employment Practices ("ND/EEP") and Affirmative Action ("AA") program provisions during the entire duration of this contract. Contractor acknowledges its responsibility to comply with any and all ND/EEP and AA provisions as set forth in the applicable statutes, ordinances, rules, regulations, and/or laws.

§504 CONFLICT OF INTEREST

A. No City-funded Employees as Board Members

The City will not execute any agreements and/or amendments with Subrecipients where an employee (an individual who is paid or receives any financial benefit from funds from the agreement with the City), is a member of the Board of Directors. The Board minutes must reflect this requirement.

B. Code of Conduct

1. The City requires that all contractors/subrecipients adopt a Code of Conduct that, at a minimum, reflects the constraints discussed in WDS Directive No. 17-08 dated January 10, 2017 (http://ewddlacity.com/images/directives/wds-directive/WDS-Dir_17-08.pdf#zoom=75). The Code shall be submitted to the City for approval prior to execution of this Agreement.
2. Prior to obtaining the City's approval of any subcontract, Subrecipient shall disclose to the City any relationship, financial or otherwise, direct or indirect, of Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
3. Subrecipient covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by City funds (regardless of source) where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
 - a. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
 - b. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
 - c. The participation of such person would be prohibited by the California Political Reform Act (California Government Code §87100 *et seq.*) if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.
4. Definitions:
 - a. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.

- b. The term "financial or other interest" includes, but is not limited to:
 - i. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - ii. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
 - c. A "subcontract" is any agreement entered into by a Subrecipient for the purchase of goods or services with any funds provided by this Agreement.
5. Minutes of Board Meetings must reflect disclosure of transactions where Board Members may have had a direct or indirect interest/benefit in the action.
 6. No director, officer, employee (or agent) of Subrecipient may be on the Board of Directors if they receive any financial benefit provided by any City agreement.
 7. Subrecipient further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
 8. Subrecipient shall not subcontract with a former director, officer, or employee within a one-year period following the termination of the relationship between said person and the Subrecipient.
 9. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City, State, and federal regulations regarding conflict of interest.
 10. Subrecipient warrants that it has not paid or given and will not pay or give to any third person, any money or other consideration for obtaining this Agreement.
 11. Subrecipient covenants that no member, officer or employee of Subrecipient shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
 12. Subrecipient shall incorporate the foregoing subsections of this section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Subrecipient" and "sub-subcontractor" for "Subcontractor."
 13. Subrecipient warrants that it has adopted and shall comply with the Code of Conduct, as approved by the City that meets the foregoing requirements.

§505 COMPLIANCE WITH STATE AND FEDERAL STATUTES AND REGULATIONS

Subrecipient warrants and certifies that it shall comply with all applicable statutes, rules, regulations, and orders of the United States, the State, the County and City of Los Angeles. Subrecipient understands that failure to comply with any of the following assurances may result in suspension, termination or reduction of grant funds, and repayment by Subrecipient to City of any unlawful expenditures. Subrecipient further warrants and certifies that it shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement.

A. Statutes and Regulations Applicable To All Grant Contracts

Subrecipient shall comply with all applicable requirements of State, federal, County and City of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies, and any other requirements governing this Agreement, including, but not limited to laws and regulations pertaining to labor, wages, hours, and other conditions of employment. These requirements include, but are not limited to:

1. OMB Circulars

Subrecipient shall comply with the provisions of 2 C.F.R., Part 200.

2. Single Audit Act

Subrecipient shall adhere to the rules and regulations of the Single Audit Act, 31 USC §7501 et seq.; City Council action dated February 4, 1987 (C.F. No. 84-2259-S1); and any administrative regulation or field memos implementing the Act. The provisions of this paragraph survive expiration or termination of this Agreement. Also see §608(C) for additional audit requirements.

3. Political and Sectarian Activity Prohibited

- a None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.
- b Subrecipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any disclosure form previously filed by Subrecipient. Subrecipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

4. Records Inspection

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

5. Labor

- a Subrecipient shall comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 C.F.R. 900, Subpart F).
- b Subrecipient shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction sub agreements.
- c Subrecipient shall comply with the Federal Fair Labor Standards Act (29 USC § 201) regarding wages and hours of employment.
- d None of the funds shall be used to promote or deter union/labor organizing activities (California Government Code §16645 et seq.).
- e Subrecipient shall comply with the Hatch Act (5 USC §§1501-1508 and 7324-7328).
- f Subrecipient shall comply with the provisions of Article 3, Chapter 1, Part 7, Division 2 of the Labor Code of California, the California Child Labor Laws and all other applicable statutes, ordinances, and regulations relative to employment, wages, hours of labor and industrial safety.

6. Civil Rights

Subrecipient shall comply with all federal statutes relating to nondiscrimination, including, but not limited to:

- a Title VI of the Civil Rights Act of 1964 (P.L. 88-352, 42 U.S.C. §2000d, and implementing regulations) which prohibits discrimination on the basis of race, color, or national origin and its implementing regulations and as applied through Executive Order No. 13166, entitled "Improving Access to Services for Persons with Limited English Proficiency" ("LEP"), which requires recipients of federal funds, including Subrecipient, to take reasonable steps to insure meaningful access to its programs and activities by person with LEP as more fully described in HUD's final guidance contained in Federal Register, Volume 72, No. 13.
- b Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex.
- c §§503 and 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794, 45 CFR, Part 84), which prohibits discrimination on the basis of disability.
- d The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age.
- e The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse.
- f The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
- g §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records.
- h Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 *et seq.*), as amended, relating to non-discrimination in the sale, rental or financing of housing.
- i Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance are being made.
- j The requirements of any other nondiscrimination statute(s) which may apply to the application.
- k P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- l Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. §2000e).
- m The Genetic Information Nondiscrimination Act of 2008 (GINA) P.L. 110-233.

7. Environmental

- a Subrecipient shall comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.
- b Subrecipient shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of

1972 (16 U.S.C. §1451 *et seq.*); (f) conformity of federal actions to State (Clean Air) Implementation Plans under § 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 *et seq.*); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523) and the California Safe Drinking Water and Toxic Enforcement Act of 1986; (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234); and (j) §508 of the Clean Water Act (38 U.S.C. §1360).

- c Subrecipient shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §1271 *et seq.*) related to protecting components or potential components of the national wild and scenic rivers system.
- d Subrecipient shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §4822 *et seq.*) that prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- e Subrecipient shall comply with the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.*) that restores and maintains the chemical, physical and biological integrity of the nation's waters.
- f Subrecipient shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- g By signing this Agreement, Subrecipient ensures that it is in compliance with the California Environmental Quality Act, Public Resources Code §21000 *et seq.* and is not impacting the environment negatively.
- h Subrecipient shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

8. Preservation

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

9. Suspension and Debarment

Subrecipient shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and Subrecipient shall submit a certification Regarding Debarment required by EO 12549 and 12689, and any amendment thereto. Subrecipient shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

10. Drug-Free Workplace

Subrecipient shall comply with the federal Drug-Free Workplace Act of 1988, 41 USC §8102, 28 CFR Part 67, and the California Drug-Free Workplace Act of 1990 (California Government Code §§ 8350-8357).

11. Animal Welfare

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

12. Subrecipient shall assure, pursuant to the Consolidated Appropriations Act of 2008 (P.L. 110-161) grant funds will not be used in contravention of the federal buildings performance and reporting requirements of EO No. 13123, Part 3 of Title V of the National Energy Conservation Policy Act (42 U.S.C. §8251 *et seq.*) or Subtitle A of Title I of the Energy Policy Act of 2005

(including the amendments made thereby), nor shall grant funds be used in contravention of §303 of the Energy Policy Act of 1992 (42 U.S.C. §13212).

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

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

14. Subrecipient shall assure, pursuant to Public Law 103-333, §507, to the extent practicable, that all equipment and products purchased with grant funds made available under this Agreement shall be American made.
15. Subrecipient shall administer this Agreement in accordance with the provisions of 2 C.F.R. Part 200, which provision supersedes the OMB Circulars.
16. Subrecipient acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (California Government Code §12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to Ten Thousand Dollars (\$10,000) per false claim.
17. Mandatory Disclosures: The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for non-Compliance, including suspension or debarment. (See also 2 CFR part 180 and 31 U.S.C. 3321).

B. Statutes and Regulations Applicable to This Grant Agreement:

Subrecipient shall comply with the following statutes and regulations as applicable:

1. CDBG Program, including, but not limited to 42 U.S.C. §5301 *et seq.*, and 24 CFR Parts 84, 85, and 570.
2. Asbestos and Lead-Based Paint: Laws and regulations pertaining to abatement of asbestos containing materials (ACM) and lead-based paint (LBP) including insuring that all personnel involved in the abatement of removal process of all ACM and LBP will wear the necessary, legally required protective clothing and respiratory gear.
3. Archaeological Sites: If archaeological sites are determined to be located in the vicinity of the program site, a halt work condition is required to allow a state certified archaeologist to assess findings and all work to continue in non-archaeological areas.
4. Federal Acquisition Regulation, 48 CFR, Part 31.
5. City of Los Angeles Ordinance 164244 relating to the 1% fee for public art.
6. If applicable, the grant agreement between the City and the State of California Department of Community Services and Development including its general terms and conditions which are hereby incorporated by reference.
7. If applicable, the Community Services Block Grant Act, 42 U.S.C. §9901 *et seq.*, and 45 Code of Federal Regulations (CFR) Part 96.
8. If applicable, the California Community Services Block Grant Program, Government Code §12725 *et seq.*, and Title 22, California Code of Regulations (CCR), §100601 *et seq.*

9. Sweat-free Code of Conduct:

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

10. State Nondiscrimination Clause:

During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, religious creed, marital status, denial of family and medical care leave, ancestry, national origin, medical condition (cancer/genetic characteristics), age (40 and above), disability (mental and physical) including HIV and AIDS, denial of pregnancy disability leave or reasonable accommodation. Contractor and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)–(f), are incorporated into this Contract by reference and made a part hereof as if set forth in full (Cal. Code Regs, tit. 2, §7285.0 et seq.). Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

This Contractor shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under contract.

11. Traveling Expenses:

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

12. National Labor Relations Board Certification:

Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

13. Contractors for Legal Services \$50,000.00 or more – Pro Bono Requirement:

Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

14. Expatriate Corporations:

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

C. Statutes and Regulations Applicable to all HUD Funded Agreements:

1. Equal Access to HUD-Assisted or Insured Housing

a Eligibility for HUD-Assisted or Insured Housing:

A determination of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the Federal Housing Administration (FHA) shall be made in accordance with the eligibility requirements provided for such program by HUD, and such housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. The terms "sexual orientation" and "gender identity" are defined in 24 CFR §5.100.

b Prohibition of Inquiries on Sexual Orientation or Gender Identity:

No owner or administrator of HUD-assisted or HUD-insured housing, approved lender in an FHA mortgage insurance program, nor any (or any other) recipient or subrecipient of HUD funds may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing or housing whose financing is insured by HUD, whether renter- or owner-occupied, for the purpose of determining eligibility for the housing or otherwise making housing available.

This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit an individual from voluntarily self-identifying sexual orientation or gender identity. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or occupant's sex where the housing provided or to be provided to the individual is temporary, emergency shelter that involves the sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled. The term "household" is defined in 24 CFR §570.3.

§506 FEDERAL, STATE AND LOCAL TAXES

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

§507 INVENTIONS, PATENTS AND COPYRIGHTS

Subrecipient shall comply with the requirements regarding Inventions, Patents and Copyrights, which is attached hereto as Exhibit H and incorporated herein by reference.

§508 COVID-19 NOTIFICATION (IF APPLICABLE)

Contractor shall immediately notify City in the event that any person who has performed services for Contractor (including, but not limited to, employees, volunteers and contractors) at a site operated by City, on behalf of City, or under this Agreement, (1) has been diagnosed with COVID-19, (2) has been informed by a medical professional that the person is likely to have COVID-19, or (3) meets the criteria for isolation under the most current County of Los Angeles Public Health Officer Order for the Control of COVID-19: Public Health Emergency Isolation Order:

http://publichealth.lacounty.gov/media/Coronavirus/docs/HOO/HOO_Coronavirus_Blanket_Isolation.pdf

§509 COMPLIANCE WITH CURRENT APPLICABLE SAFETY PROTOCOLS AND LAWS

Contractor, and any of its subcontractors, if applicable, shall comply with any and all safety protocols, current laws, regulations, and public health orders related to the COVID-19 pandemic to ensure the health and safety of Contractor's employees, any subcontractors, and the public.

§510 PROHIBITION AGAINST DUPLICATION OF BENEFITS

Prohibition against duplication of benefits: Section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.) prohibits duplication of benefits for programs that provide financial assistance to people or entities suffering losses because of a major disaster or emergency. "Duplication of benefits" occurs when federal financial assistance is provided to a person or entity through a program to address losses resulting from a federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs. Recipients must establish and maintain adequate procedures to prevent any duplication of benefits with concurrent grant funds. The City will issue additional guidance to facilitate compliance with this requirement.

§511 COVID-19 CONTRACTOR VACCINATION REQUIREMENTS

Employees of Subrecipient and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Subrecipient Personnel") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with City employees, contractors, or volunteers, (2) working on City property while performing services under this Agreement, and/or (3) coming into contact with the public while performing services under this Agreement (collectively, "In-Person Services"). "Fully vaccinated" means that 14 or more days have passed since Subrecipient 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 Subrecipient Personnel to perform In-Person Services, Subrecipient shall obtain proof that such Subrecipient Personnel have been fully vaccinated. Subrecipient shall retain such proof for the document retention period set forth in this Agreement. Subrecipient shall grant Subrecipient personnel medical or religious exemptions as required by law.

6. GRANT REQUIREMENTS

§601 REPORTING REQUIREMENTS

- A. General Reporting: Subrecipient shall furnish to the City at the times and on the forms and formats, electronically or manually, as the City may require all records, reports, data and information pertaining to matters covered by this Agreement.
- B. Program Reporting: Subrecipient shall submit to the City the following program reports as identified below. Subrecipient shall submit to the City all required documents in accordance with all City procedures and Directives, which are incorporated herein by reference.
 - 1. Monthly Fiscal Report and Closeout Report
 - a. Expenditure Report – Due on or before the 15th day of each month, the Subrecipient shall submit the Expenditure Report to the City, which reflects accrued expenditures as of the previous month on forms provided by the City.
 - b. Cash Request – Due on or before the 15th day of the month, a Cash Request shall be submitted on forms provided along with support documentation including but not limited to invoices, proof of payments, and monthly general ledger. Subrecipients approved for cash advances shall submit a cash request on or before the 5th day of the month but not earlier than the 25th of the preceding month. If approved for cash advance, Subrecipient shall submit an expenditure report for costs incurred as of the 2 months preceding the month for which the cash is requested.
 - 2. Closeout Report
 - a. Within 45 days following the termination of this Agreement, Subrecipient shall submit to the City, on forms provided by the City, a complete and accurate final closeout invoice including accruals of allowable expenditures and a remittance for all unearned grant funds as identified in the close-out. Final requests to modify the Budget shall be submitted to the City before final closeout. By submission of the closeout invoice, the Subrecipient certifies that: i) Costs reported and payments requested are valid and consistent with the terms of the Agreement; and, ii) cash payments received from the City shall be used to pay only for expenditures reported in the final closeout invoices. Costs reported are subject to City verification.
 - b. In the event Subrecipient does not submit a final closeout or other required documentation within the prescribed time frame, the City reserves the right to unilaterally closeout the Agreement and use the invoice then on file at City for determination of Subrecipient's final allowable expenditures. The City will not reimburse Subrecipient for expenditures reported after the 45 day closeout date following the termination of this Agreement. The City shall provide to Subrecipient the City closeout forms at least 30 days before termination of the Agreement.

§602 MAINTENANCE OF RECORDS

- A. Record Retention: Records, in their original form, shall be maintained in accordance with requirements prescribed by the Grantor and the City with respect to all matters covered by this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Unaltered copies of eligibility documents are acceptable. These records shall be retained for a period of five years after termination of this Agreement and after final disposition of all pending matters. Pending matters include, but are not limited to, an audit, litigation, or other actions involving records. The City may, at its discretion, take possession of and retain the records. Before destruction of records retained under this Agreement, Subrecipient shall notify the City and request instructions on disposition of the records.
- B. Location of Records: Records (including, but not limited to, customer files and fiscal documents in their original form) pertaining to matters covered by this Agreement shall at all times, be retained on an electronic Customer Relationship Management (CRM) Database as directed by the City and on-site at the Subrecipient's Program Location in a locked secure place unless authorization to remove them is granted in writing by the City.

§603 CUSTOMER/APPLICANT FILES

Subrecipient shall complete and maintain at the Program Location in each Client's file the following documents, as prescribed by program requirements: 1) Individual Business Service Agreement (IBSA) for all enrolled Clients with original "wet" signature; 2) Certification Form with original "wet" signatures (Exhibit J-1 or J-2); 3) List of employees with position titles prior to receiving services (i.e. payroll records, IBSA, Exhibit J-3); 4) List of employees with position titles after receiving services (i.e. payroll records, Exhibit J-3). Subrecipient shall complete and maintain on-site in each customer's file in either electronic or paper forms and be available for on-site monitoring and audits: 1) Eligibility documents (e.g. income verification where applicable, copy of photo I.D.); 2) Business Objectives Assessment documents; 3) Document Checklist; 4) Client Service Notes; 5) Secondary evidence documentation showing the business is operational and start-up businesses and proof the business was about to layoff their employees for businesses with job retention; 6) Business Referral Form (if applicable).

NOTE: The City requires Subrecipient to verify and certify eligibility and maintain in the customer file, on-site and electronically, all eligibility documentation prior to, or as of, the date the applicant is registered in the program.

§604 EQUIPMENT RECORDS

- A. Nonexpendable personal property (equipment) acquired with grant funds shall be properly maintained and accounted for as set forth below.

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

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

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

§605 PURCHASE OR LEASE OF EQUIPMENT OR FACILITIES

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

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

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

equipment shall not be made from funds under the terms of this Agreement.

A. Lease of Equipment

A copy of each executed equipment lease agreement shall be submitted to the City before payment.

Written amendments to equipment lease agreement shall comply with the conditions set forth in this Agreement.

B. Purchase of Equipment

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

The property shall be used and maintained by Subrecipient as follows:

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

C. Purchase of depreciable equipment including, but not limited to, computer hardware and software and vehicles require prior City written approval. Disposition of nonexpendable personal property shall be governed by City Directives, as applicable. All private for profit Subrecipients shall acquire prior City approval before purchasing any nonexpendable personal property.

D. Lease of Property or Facilities

1. All lease agreements shall incorporate the following provisions:
 - a All leases of property or facilities procured to house a City program under this Agreement must contain a provision that allows the City, at its sole option, to assume the lease for its remaining term, under the same terms and conditions then in effect, in the event that the City terminates its Subrecipient's City Agreement or if Subrecipient abandons the lease.
 - b All leases of property or facilities procured to house a City program under this Agreement must contain a provision, which provides that any improvements made to the facility or property by Subrecipient, inures to the benefit of the City, and the City may elect, at its sole option, to remove the improvements.
 - c It is recommended that the Subrecipient, during lease negotiations, request the addition of a section to the lease agreement, whereby the lessor agrees that if lessee's grant funding for any calendar year decreases by \$500,000 or more from the previous calendar year, lessee may terminate the lease with 120 days written notice.

Subrecipient shall amend any current lease agreements to incorporate the above provisions.

2. A copy of all leases and lease amendments must be reviewed and approved by the City prior to signature and be on file with the City prior to the release of funding.
3. Subrecipient shall not sublease, assign, or amend in any manner leases paid for with funds under this Agreement without prior written City approval.
4. Subrecipient shall invoice for only that portion of the lease cost that is allocated to the program funded by this Agreement. The Subrecipient is responsible for collecting any portion of the rent due to Subrecipient under sublease agreements with partners or other entities.

E. Subrecipient Owned Facility

1. Reimbursement for Subrecipient owned facilities shall be based upon 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

2. Building Depreciation: Building depreciation includes the costs of buildings and capital improvements through allowances for depreciation or other equivalent costs. Where the depreciation method is followed, adequate property records must be maintained and a generally accepted method of computing depreciation shall be used. The computation of depreciation or use allowance must be based on acquisition cost and exclude the cost of land. The computation will exclude the cost of any portion of the building and improvements either donated or otherwise borne directly or indirectly by the State or federal government. If actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used as the basis for the depreciation or use allowance, subject to City approval.
3. Rent payment for a Subrecipient-owned building/space or a building/space owned by any of the members of the Board of Directors is not allowed under this Agreement.

§606 ACCOUNTING PRACTICES

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

§607 DOCUMENTATION OF EXPENDITURES

- A. Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders, or other accounting documents shall be clearly identified and readily accessible.
- B. Payroll expenditures shall be supported by activity reports that may include but not be limited to case reports, mileage logs, attendance rosters and other documents supporting work related to City contract or program.
- C. Subrecipient shall not release funds to any subcontractor for reimbursement of costs, until it has received adequate documentation from the subcontractor that the expenditures are reasonable and allowable under the sub-agreement. All documentation must remain on file at Subrecipient's office.

§608 AUDITS AND INSPECTIONS

- A. At any time during normal business hours and as often as the Grantor, the U.S. Comptroller General, Auditor General of the State or the City may deem necessary, the Subrecipient shall make available for examination, all of its records with respect to all matters covered by this Agreement. The City, the U.S. Comptroller General, and the Auditor General of the State shall have the authority to audit, examine and

make excerpts, or transcripts from records, including all Subrecipient's invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

- B. Access by the Grantor, City, the State, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records (including computer records) of the Subrecipient which are directly pertinent to charges to the program, shall not be denied in order to conduct audits and examinations, and make excerpts, transcripts, and photocopies. This right also includes timely and reasonable access to Subrecipient's and subcontractor's personnel for the purpose of interviews and discussions related to such documents.
- C. Subrecipient agrees to provide any reports requested by the City regarding performance of the Agreement. When total expenditures under all federal programs in a fiscal year equal or exceed \$750,000, the Subrecipient shall conduct or have conducted on an annual basis, audits in accordance with the Single Audit Act of 1984, PL 98-502, implementing regulations in OMB Circulars A-133 as applicable, (City Council action dated February 4, 1987, C.F. No. 84-2259-S1) and administrative regulations or field memos implementing revisions or updates to the audit requirements. The auditor's reports, prepared in accordance with the aforementioned requirements, and any accompanying management reports on the operation of the Subrecipient or this Agreement, shall be submitted to the City within nine (9) months after the close of the Subrecipient's fiscal year.
- D. Subrecipient, should it meet the above threshold, shall annually subcontract with a qualified independent auditor.
- E. The audit is to be conducted annually to test the fiscal integrity of financial transactions as well as compliance with the applicable laws and regulations.
- F. Subrecipient, not later than thirty (30) days following receipt of the final audit report and within nine (9) months after the close of Subrecipient's fiscal year, shall submit a copy of the report to the EWDD Financial Management Division.
- G. If the auditor's report or management report identifies deficiencies with internal controls or contract compliance, the Subrecipient shall prepare and submit a corrective action plan along with the auditor's reports. The plan shall address all deficiencies and provide specific details on corrective actions to be taken along with the date the action was or will be implemented.
- H. If the expenditures under all federal programs are less than \$750,000, Subrecipient shall permit the City to conduct a performance review of this Agreement and all related records in accordance with directives received from the City.
- I. In the event that Subrecipient is operating on a for-profit basis, Subrecipient shall conduct a program-specific annual independent financial and compliance audit in accordance with generally accepted government auditing standards, or an organization-wide audit that includes coverage of the City program within its scope.
- J. The City reserves the right to impose any or all of the following sanctions for Subrecipient's failure to comply with the Single Audit Act and the provisions of this Agreement:
 - 1. Withhold a percentage of payments, at the City's sole discretion, until the audit is completed satisfactorily and submitted to EWDD, and/or.
 - 2. Suspend payments due to Subrecipient until the audit is completed satisfactorily and submitted to the City; and/or Impose the Default, Probation, Suspension and Termination provisions of this Agreement as set forth herein.
- K. City, Auditor General of the State, Grantor, Director of the Office of Civil Rights, and the U.S. Comptroller General shall have the authority to audit, examine, and make excerpts or transcripts from records, including contracts, invoices, customer records and other records supporting this Agreement. Audits of earned funds are limited to determining if such funds were earned in accordance with this Agreement.
- L. City may require Subrecipient who has inadequate fiscal or administrative procedures, to use any or all of the City's accounting or administrative procedures used in the planning, controlling, monitoring, and

reporting of fiscal matters relating to this Agreement; or secure at Subrecipient's expense the service of independent experts.

- M. City shall have the authority to make physical inspections and to require such physical safeguarding devices as locks, alarms, safes, fire extinguishers, sprinkler systems, etc., to safeguard property, records and/or equipment used in the performance of this Agreement.
- N. Should a fiscal or special audit determine that Subrecipient has earned funds which are questioned under the criteria set forth herein, the Subrecipient shall be notified and given the opportunity to justify questioned expenditures prior to the City's final determination of disallowed costs, in accordance with the procedures established under the Grant.

§609 CONFIDENTIALITY OF INFORMATION

- A. The Grantor, the City, and Subrecipient will exchange various kinds of information pursuant to this Agreement. That information will include data, applications, program files and databases. These data and information are confidential when they define an individual or an employing unit. Confidential information requires special precautions to protect it from unauthorized use, access, disclosure, modification, and destruction. The sources of information may include, but are not limited to, the Employment Development Department, the California Department of Social Services, the California Department of Education, the County Welfare Department(s), the County IV-D Directors Office of Child Support, the Office of the District Attorney, the California Department of Mental Health, the California Office of Community Colleges, and the Department of Alcohol and Drug Programs.
- B. The City and Subrecipient agree that:
 - 1. Each party shall keep all information that is exchanged between them in the strictest confidence and make such information available to their own employees only on a "need-to-know" basis.
 - 2. Each party shall provide written instructions to all of its employees with access to information provided by the other party of the confidential nature of the information and of the penalties for unauthorized use or disclosure found in §1798.55 of the Civil Code, §502 of the Penal Code, §2111 of the Unemployment Insurance Code, §10850 of the Welfare and Institutions Code and other applicable local, State and federal laws.
 - 3. Each party shall (where appropriate) store and process information in an electronic format, in such a way that unauthorized persons cannot reasonably retrieve the information by computer, remote terminal, or other means.
 - 4. Each party shall promptly return to the other party confidential information when its use ends or destroy the confidential information utilizing an approved method of destroying confidential information by shredding, burning, or certified, or witnessed destruction. Magnetic media are to be degaussed or returned to the other party.
 - 5. If the City or Subrecipient enters into an agreement with a third party to provide services, the City or Subrecipient agrees to include these data and security and confidentiality requirements in the agreement with that third party. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractor(s), service providers, or employees.
 - 6. Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and, each party shall notify the other of any changes in that designation. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractor(s), service providers, or employees.

§610 SECURITY CLEARANCE AND TUBERCULOSIS TEST OF STAFF AND VOLUNTEERS

- A. Subrecipient hereby certifies that by signing this Agreement, Subrecipient and subcontractor staff working with youth, either as employees or volunteers, who have a supervisory or disciplinary authority over minors must be fingerprinted and pass the background check, as required by California Penal Code §11105.3 and California Education Code §45125.1 and §10911.5. Fingerprinting and a background check may be required of other staff and volunteers depending upon how much contact the staff

member will have with minors. The Subrecipient shall be responsible for obtaining security clearances for staff whose duties require a sufficient level of interaction with youth.

- B. Subrecipient hereby certifies that by signing this Agreement, Subrecipient shall have Tuberculosis (TB) tests completed on any staff member working with the youth.
- C. Subrecipient shall maintain proof of Security Clearance and TB tests of all staff, including those of the subcontractors, and make these records available for future inspection.

§611 RESTRICTION ON DISCLOSURES

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

§612 MANAGEMENT INFORMATION SYSTEM RECORDS AND REPORTS

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

§613 INSTALLATION OF FINANCIAL ASSISTANCE SIGN

Subrecipient shall install, or allow to be installed, for public display upon the program site premises a sign, identifying Subrecipient as receiving financial assistance from the City and HUD.

§614 PRESS RELEASES--PUBLIC INFORMATION

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

§615 NOTICE TO CITY OF LABOR DISPUTES

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

§616 LISTING OF SUBRECIPIENT'S EMPLOYMENT OPPORTUNITIES WITH EDD

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

§617 TECHNICAL ASSISTANCE

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

§618 PROHIBITION OF LEGAL PROCEEDINGS

Subrecipient is prohibited from using Grant funds received under this Agreement for the purpose of instituting legal proceeding against the City and/or HUD or their officials, employee or representatives.

§619 ADMINISTRATIVE HEARING FOR DENIAL OF CLIENT BENEFITS BY SUBRECIPIENT – IF APPLICABLE

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

§620 FAITH-BASED ACTIVITIES

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

- A. Subrecipient may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this Agreement. If Subrecipient conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this Agreement, and participation must be voluntary for the beneficiaries of the grant-funded programs or services.
- B. A religious or faith-based Subrecipient will retain its independence from federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct grant funds to support any inherently religious activities, such as worship, religious instruction, or proselytization.
- C. A religious or faith-based Subrecipient may use space in their facilities to provide grant funded services, without removing religious art, icons, scriptures, or other religious symbols.
- D. A religious or faith-based Subrecipient retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- E. A religious or faith-based Subrecipient shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
- F. Grant funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities.
- G. Grant funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this section. Where a structure is used for both eligible and inherently religious activities, grant funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to grant funds herein. Sanctuaries, chapels, or other rooms that a grant funded religious congregation uses as its principal place of worship, however, are ineligible for grant funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property dispositions.

§621 CHILD ABUSE

Subrecipient shall comply with the provisions of the California Child Abuse and Neglect Reporting Act (California Penal Code §11164 *et seq.*), and specifically §§ 11165.7, 11165.9 and 11166 therein.

7. SUBCONTRACT AND PROCUREMENT PROCEDURES

Subrecipient shall comply with the federal and City standards in the award of any subcontracts. For purposes of this Agreement, subcontracts shall include, but not be limited to, purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts. Subrecipient shall comply with subcontracting/procurement requirements set forth in Exhibit "I", which is attached hereto and incorporated herein by reference, and shall ensure that the terms of this Agreement are incorporated into all subcontractor agreements. Subrecipient shall submit all subcontractor agreements to the City for review prior to the release of any funds to the subcontractor. Subrecipient shall withhold funds to any subcontractor that fails to comply with the terms and conditions of this Agreement and their respective subcontractor agreement.

8. REMEDIES

§801 DEFAULTS

Should the Subrecipient fail for any reason to comply with the contractual obligations of this Agreement, including but not limited to, meet the Scope of Work attached hereto as Exhibit G, start up the program on time, provide services according to plan and/or to benefit customers and the provisions of the Agreement, respond to emergency operations and/or natural disaster services, maintain expenditures at an approved rate in the Budget, audit or monitoring open findings, resolve performance problems in a timely manner, demonstrate the capabilities to solve identified problems within a specific time, provide necessary fiscal or Management Information Services documents to City in a timely manner, maintain agreed cost per placement or utilize grant funds in accordance with the terms and conditions of the Agreement, the City reserves the right to take any or all of the following actions at its discretion:

- A. Notify Subrecipient of performance deficiencies in accordance with §802 of this Agreement.
- B. Withhold the release of funds.
- C. Require that no funds be advanced to Subrecipient until Subrecipient has provided for the security of funds advanced by a Surety/performance bond. The amount and form of the security, if required, shall be determined by the City as noted on the Insurance Requirement Form and is subject to prior City approval.
- D. Modify and/or renegotiate the funding/service level and/or make any changes in the general scope of this Agreement.
- E. Require Subrecipient to secure at its own expense the services of independent experts.
- F. Require specific performance progress reports for identified time periods.
- G. Place Subrecipient on probation due to lack of performance or unresolved monitoring findings.
- H. Reduce compensation within the scope of the City's reallocation policy.
- I. Suspend operations in accordance with §803 below of this Agreement.
- J. Terminate the Agreement.

§802 NOTICE TO CORRECT PERFORMANCE

- A. The City may notify Subrecipient of its failure to comply with the terms and conditions of this Agreement by giving written notice, effective upon date of such notice, which states the specific performance deficiencies to be corrected.
- B. Within five (5) working days, Subrecipient shall reply in writing setting forth the corrective actions that will be undertaken to remedy the performance deficiencies, which actions are subject to City approval in writing.
- C. Subrecipient shall thereafter submit monthly progress reports to the City in accordance with the City approved corrective action plan specifying the actions taken and resolution of the performance deficiencies.

§803 SUSPENSION OF THE AGREEMENT

- A. The City may, by giving written notice, suspend all or part of the project operations for Subrecipient's failure to comply with the terms and conditions of this Agreement; and may notify the bank identified on the City form referenced in §104A.2 above that all funds are frozen pending further notice from the City. This Notice of Suspension shall be effective upon the date of the City's written notice.
- B. This notice shall set forth the specific conditions of noncompliance and the period provided for corrective action.
- C. Within five (5) working days from the date of written City notification, Subrecipient shall reply in writing setting forth the corrective actions which will be undertaken, subject to City approval in writing.

§804 TERMINATION OF AGREEMENT

- A. At any time during the Term the City may terminate this Agreement, or any part of the Agreement, upon giving Subrecipient at least 30 days written notice prior to the effective date of the termination, which date shall be specified in the notice. The City is not required to use other remedies provided herein prior to issuing a 30 day notice to terminate the Agreement. Upon the receipt of such notice, Subrecipient shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities or as otherwise approved by the City.
- B. Subrecipient shall retain and dispose of all customers' documents and related records required by Subrecipient under this Agreement, in accordance with City Directives or written instructions. All finished and unfinished documents and materials procured for or produced under this Agreement, including all intellectual property rights thereto, shall become City property upon the date of such termination. Subrecipient agrees to execute any documents necessary for the City to perfect, memorialize or record the City's ownership of rights provided herein.
- C. Subrecipient shall return to the City all equipment that was purchased with City grant funds pursuant to this Agreement.
- D. In the event Subrecipient dissolves or otherwise goes out of existence, copies of all records relating to the project or activity that are the subject of this Agreement shall be furnished to the City.
- E. Upon satisfactory completion and documentation of termination activities, the City shall determine the total amount of funds earned by Subrecipient.
- F. The City may withhold any payments due to Subrecipient after notice of termination has been issued for the purpose of set-aside until the exact amount of damages or unearned dollars due to the City from Subrecipient is determined.
- G. Subsections B, C, D, E, and F above shall also apply to Agreements terminating upon the date specified in §201 of the foregoing Agreement or upon completion of performance of this Agreement.
- H. This Agreement may be terminated immediately for any violation of City Lobbying Ordinances.
- I. In the event the City terminates this Agreement as provided in this section, the City may procure, upon such terms and in such manner as the City may deem appropriate, services similar in scope and level of effort to those so terminated, and Subrecipient shall be liable to the City for all of its costs and damages, including, but not limited to, any excess costs for such services.
- J. If, after notice of termination of this Agreement, under the provisions of this section, it is determined for any reason that Subrecipient was not in default under the provisions of this section, or that the default was excusable under the terms of this Agreement, the rights and obligations of the parties shall be the same as if the notice of termination had not been issued pursuant to this section.

§805 NOTICES OF SUSPENSION OR TERMINATION

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

9. MISCELLANEOUS

§901 SURVIVAL OF TERMS AND CONDITIONS

All terms and conditions of this Agreement which impose a duty, obligation or requirement on Subrecipient that extend beyond the Term hereof shall survive the termination of this Agreement. Such terms and conditions shall include, but not be limited to, §§ 404 through 407, 505(A)(2), 602, 604 and 608.

§902 ORDER OF PRECEDENCE

In the event of any inconsistency between the documents regarding this Agreement, said inconsistency shall be resolved by giving precedence to (i) the body of the Agreement, (ii) the terms of applicable City ordinances and regulations, (iii) the other exhibits and attachments hereto, and (iv) any documents provided by Subrecipient.

§903 RATIFICATION CLAUSE

Due to the need for the Subrecipient's services to be provided upon commencement of the Term, Subrecipient may have provided services prior to the execution of this Agreement. To the extent that said services were performed in accordance with the terms and conditions of this Agreement, those services are hereby ratified and accepted.

§904 COUNTERPARTS AND ELECTRONIC SIGNATURES

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 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 e-mail shall be deemed original signatures.

§905 NUMBER OF PAGES AND ATTACHMENTS

This Agreement is executed in Three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes Thirty One (31) pages, and Eleven (11) exhibits, that constitute the entire understanding and agreement of the parties.

10. SIGNATURE PAGE

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

APPROVED AS TO FORM AND LEGALITY:
MICHAEL N. FEUER, City Attorney

For: THE CITY OF LOS ANGELES
CAROLYN M. HULL., General Manager

By: _____
Deputy/Assistant City Attorney

By: _____
Economic and Workforce Development Department

Date: _____

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____

FOR: MANAGED CAREER SOLUTIONS, SPC.

Date: _____

By: _____
Philip Starr, Executive Director

(Subrecipient's Corporate Seal)

Date: _____

By: _____
Esteban Magallanes, President

Date: _____

City Tax Registration Certificate Number: 0000590886-0001-5

Internal Revenue Service ID Number: 95-4626137

Council File Number: 20-1433; Date of Approval: June 18, 2021

Said Agreement is Number _____ of City Contracts
(T6863)

EXHIBIT A
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

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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

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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

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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

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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

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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,

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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.

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

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.

	Limits
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: _____	

EXHIBIT B

DRAFT

EXHIBIT B
INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

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

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

NAME	Alma Armenta-Azizieh
CITY DEPT	Economic & Workforce Development Financial Management Div.
ADDRESS	1200 W. 7 th Street, 6 th Floor Los Angeles, CA 90017
TEL	213-744-9007
EMAIL	alma.armenta-azizieh@lacity.org

GENERAL INFORMATION

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

2. **When to submit** Normally, no work may begin until a CITY insurance certificate approval number ("CA number") has been obtained, so insurance documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** Electronic submission is the required method of submitting your documents. **KwikComply** is the CITY's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format. **KwikComply** advantages include standardized, universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **KwikComply** at <https://kwikcomply.org/> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Insurance industry certificates other than the ACORD 25 may be accepted. **All** Certificates must provide a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) AND an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state the CITY is an automatic or blanket additional insured. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter.

Acceptable Alternatives to **Accord Certificates and other Insurance Certificates**:

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

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law.
- ☐ Professional Liability insurance.

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

Completed **Insurance Industry Certificates other than ACORD 25 Certificates** can be sent electronically (CAO.insurance.bonds@lacity.org) or faxed to the Office of the City Administrative Officer, Risk Management (213) 978-7616. **Please note that submissions other than through KwikComply™ will delay the insurance approval process as documents will have to be manually processed.**

Verification of approved insurance and bonds may be obtained by checking **KwikComply**, the CITY's online insurance compliance system, at <http://track4la.lacity.org>.

4. . **Renewal** When an existing policy is renewed, have your insurance broker or agent submit a new Acord 25 Certificate or edit the existing Acord 25 Certificate through **KwikComply** at <https://kwikcomply.org/>

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

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

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

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

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

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

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY required bid, performance and payment surety bonds, please see the City of Los Angeles Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

Rev. 10/09

EXHIBIT C
CERTIFICATION REGARDING
NOTICE OF PROHIBITION AGAINST RETALIATION

This certification is required by the regulations implementing Living Wage Ordinance. Subrecipient shall post a copy of the Notice to Employees Working on City Contracts Re: Living Wage Ordinance and Prohibition Against Retaliation, which is as below, in a prominent place in an area frequented by employees.

An employer subject to the Living Wage Ordinance shall post in a prominent place in an area frequented by employees a copy of the below notice to employees regarding the LWO prohibition against retaliation (also available in English at [http://bca.lacity.org/site/pdf/lwo/Notice To Employees Of Retaliation \(English\).pdf](http://bca.lacity.org/site/pdf/lwo/Notice%20To%20Employees%20Of%20Retaliation%20(English).pdf) and in Spanish at [http://bca.lacity.org/site/pdf/lwo/Notice To Employees Of Retaliation \(Spanish\).pdf](http://bca.lacity.org/site/pdf/lwo/Notice%20To%20Employees%20Of%20Retaliation%20(Spanish).pdf). The retaliation notice must be posted by an employer even if the employer has been exempted from the LWO.

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

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

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

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

For more information, or to obtain a complaint form, please call the Equal Employment Opportunity Enforcement Section at (213) 847-2625.

CITY OF LOS ANGELES
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway Street, Suite 300
Los Angeles, CA 90015
Phone: (213) 847-2625 — Fax: (213) 847-2777

Rev. 08/08

AGREEMENT NUMBER: (T6863)

Managed Career Solutions, SPC
SUBRECIPIENT/BORROWER/AGENCY

Philip Starr, Executive Director
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

EXHIBIT D

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

This certification is required by the regulations implementing Executive Orders 12549 and 12689, Debarment and Suspension, 24 CFR Part 24 Section 24.510, and 29 CFR Parts 97.35 and 98.510, Participants' responsibilities.

(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE COMPLETING)

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

AGREEMENT NUMBER: (T6863)

Managed Career Solutions, SPC
SUBRECIPIENT/BORROWER/AGENCY

Philip Starr, Executive Director
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

Exhibit D (cont.)

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Orders 12549 and 12689.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non-Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

EXHIBIT E

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans and Cooperative Agreements

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

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

AGREEMENT NUMBER: (T6863)

Managed Career Solutions, SPC
SUBRECIPIENT/BORROWER/AGENCY

Philip Starr, Executive Director
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

EXHIBIT F

MANAGEMENT REPRESENTATION

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

1. I am responsible for the fair presentation of the Subrecipient's financial records/reports in conformity with Generally Accepted Accounting Principles (GAAP) and have provided such records/reports accordingly to the City. I will make available to City all related data and information. I am not aware of any material transactions that have not been properly recorded and disclosed.
True ☐ False ☐
2. The Subrecipient has adopted sound accounting policies and procedures in accordance with GAAP that include procedures for maintaining internal controls, and preventing and detecting fraud and abuse.
True ☐ False ☐
3. I have advised and will continue to advise the City of any actions taken at meetings of Subrecipient's Board of Directors, and Committees of the Board of Directors which may have a material impact on Subrecipient's ability to perform the City's Contract.
True ☐ False ☐
4. Except as recorded or disclosed to you herein, I know of no instances of:
 - a. Conflict of interests (direct or indirect), nepotism, related (direct or indirect) party transactions including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
True ☐ False ☐
 - b. Guarantees, whether written or oral, under which the Subrecipient is contingently liable.
True ☐ False ☐
 - c. Actual, forthcoming or possible terminations of funding from regulatory agencies or other sources due to noncompliance, deficiencies, or for any other reason, that would affect the financial records and/or continuing viability of the Subrecipient as an on-going concern.
True ☐ False ☐
5. I have no knowledge that a board member/s is/are also an employee of this Subrecipient whose salary costs are reimbursed under this agreement.
True ☐ False ☐
6. I have no knowledge of and am not in receipt of any communication regarding allegations of fraud, suspected fraud or abuse affecting the Subrecipient involving management, employees who have significant roles in internal control, or others where fraud/abuse could have a material effect on the financial records or performance of the City Contract.
True ☐ False ☐
7. I have no knowledge of any allegations, written or oral, of misstatements or misapplication of funds in the Subrecipient's conduct of its financial affairs or in its financial records.
True ☐ False ☐
8. I am not aware of any pending litigation, bankruptcy, judgment, liens and other significant issues that may threaten the financial viability, legal and continuing existence of the Subrecipient.
True ☐ False ☐

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

Use this space to provide any additional information:

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

AGREEMENT NUMBER: (T6863)

Managed Career Solutions, SPC
SUBRECIPIENT/BORROWER/AGENCY

Philip Starr, Executive Director
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

EXHIBIT G
SCOPE OF WORK AND SUBRECIPIENT RESPONSIBILITY

§1 GENERAL PURPOSE AND REQUIREMENTS

A. Purpose

The Scope of Work is a general description of the services made available by Subrecipient as set forth below and in accordance with the Budget. Should Subrecipient determine to alter the services described significantly, Subrecipient must request City approval in writing. Subrecipient must receive written City approval prior to implementing any changes, as they require a contract amendment.

Subrecipient shall provide all services at no charge to the Client.

B. Program Description and LA BusinessSource Center (LABSC) Client Eligibility

During the Term of the Agreement, Subrecipient shall target its services to persons who reside and business owners whose businesses are located in the City. Following are descriptions, expected outcomes, and requirements of each of the two (2) target populations of the LABSC:

1. Microenterprise component, including the business stage of development:
 - a. **Pre-startups:** focuses on providing critical support to a prospective owner who will employ five (5) or fewer (W-2) employees once the business is legally operating.
 - b. **Operating:** focuses on providing critical support to owners of existing businesses with five (5) or fewer employees, one of whom owns the enterprise. This focus is particularly important as the majority of the businesses within the City may be categorized as “survivors,” and historically, many such businesses fail in their first two years of operation. The survival and growth of such businesses are critical to the ongoing economic vitality of the City.
2. The Small Businesses component, including the business stage of development:
 - a. **Pre-startups:** focuses on providing critical support to a prospective owner in anticipation of employing 6 or more employees up to 500 employees with annual gross sales not expected to exceed \$7.5 million once the business is legally operating.
 - b. **Operating:** focuses on providing critical support to a current owner of a business which currently employs 6 or more employees up to 500 employees with annual gross sales not expected to exceed \$7.5 million once the business is legally operating. Focuses on providing business assistance and training to emerging companies that will give them the highest opportunities for success.
 - i. The business services provided to the clients shall include, but not be limited to, technical business assistance particular to the business’ needs in order to stabilize the business.
 - ii. Capital resourcing leads to an increased likelihood of additional jobs being created or retained. Business Owners agree to focus on creating job opportunities, of which at least 51% will be held by or made available to LMI individuals living in the City.
 - iii. In the case of a business whose revenues are determined to be declining and seeking assistance for business recovery and job retention, the Client agrees to accept technical assistance particular to the business’ needs in order to re-stabilize the business. Stabilization of the business is followed by ensuring the profitability of the business, which will lead to a greater propensity to achieve access to capital. The accessed capital then leads to retention of jobs previously described in (ii).

C. Program Responsibilities

1. Subrecipient General Responsibilities

- a. Manage day-to-day operations and facilities at the Program Location, including supplies and equipment, of the LABSC. At a minimum, the LABSC shall be open:
 - i. Up to 45 hours per week
 - ii. Flexible schedule that offers services during evening hours
 - iii. Open at least one Saturday per month
 - iv. Have the capacity to provide services remotely
- b. Satellite or Alternate locations need to have appropriate staffing and hours of operations must be defined.
- c. Any changes to the operating hours during the period of the Agreement must have prior written approval from the City. If there are additional program sites, the specific days and hours of operation at each site must be made available to City staff.
- d. Ensure the LABSC is fully staffed as outlined in the budget with a minimum of (4) programmatic Full-Time Equivalent (FTE) positions, including, but not limited to, one (1) BusinessSource Center Manager, two to three (2-3) Business Coaches, one of whom is a Business Loan Coach, and up to one (1) Administrative staff. Filling all vacancies in a timely manner with equivalent experienced and trained personnel and in compliance with any requirements identified in City Directives.
- e. Oversee and monitor all LABSC activities and subcontracts.
- f. Safeguard and manage all funds paid to the LABSC, including those issued for payment to subcontractors.
- g. Implement a performance-based procurement system for the selection of subcontracts in accordance with Exhibit I of the Agreement – SUBCONTRACT AND PROCUREMENT PROCEDURES
- h. Implement and support major activities identified in the LABSC Section D - Scope of Services to Clients
 - i. Ensure remote services are properly made available to customers by having adequate technology, experienced staff, virtual services, and flexible hours of operations to meet customer needs.
 - j. Implement an Emergency Plan and be readily available to respond to emergency operations and natural disasters by providing required services, resources, and staffing must be adhered to as prescribed by the City.

2. Subrecipient Operational Responsibilities

a. LA BusinessSource Center (LABSC)

Subrecipient shall establish and maintain an LABSC that is available to Clients. The LABSC shall be staffed with an individual(s) who has expertise on all the resources contained therein. The resources shall focus on ensuring the following:

- seamless delivery of services by reducing the barriers Clients may face accessing needed services due to lack of transportation, time constraints, and frustrations when maneuvering through multiple program bureaucracies;
- identification and recruitment of staff, service providers and/or referral sources with the historic competencies to service the diverse range of linguistically isolated low-income communities in the City and build the capacity to serve persons with disabilities.

- b. Co-location: Subrecipient may provide adequate space for co-location of collaborators as deemed reasonable for the proper fulfillment of performance standards to all clientele served at Subrecipient's location.
- c. Subrecipient is encouraged to seek partners to co-locate the satellite locations of the LABSC. A list of satellite locations must be submitted within 30 days after the contract execution date. Any changes to the Program Location and satellite locations must be submitted in writing to the City 60 days in advance.
- d. Partnership: Subrecipient shall, within thirty (30) days of executing the Agreement, enter into a Memorandum of Understanding ("MOU") with a City certified WorkSource Center that provides human resource services and workforce training.
- e. Leverage: Subrecipient shall provide comparable services through funding sources other than the City. Subrecipient shall be required to show \$200,000 in leverage for any City funding provided through the LABSC contract. A baseline of services and deliverables are required and shall be reported in a way that shows a direct correlation to the City's funds, however, Subrecipient shall incorporate results achieved through identified leveraged sources in a quarterly report.
- f. Branding and Marketing of the LABSC: Subrecipient shall market the LABSC as a small business assistance service provided by the City. All marketing materials and brochures must include LABSC logo and LABSC standard brand name.
 - i. All marketing materials and brochures must follow all City-mandated protocols and guidelines for usage and promotion of the LABSC brand identity and be approved by the City before distribution to the public. The City reserves the right to decline usage of both past and future marketing materials as of the date to acceptance of the agreement by Subrecipient and the City for the proposed fiscal year. Approved events and activities that are being canceled or rescheduled must be reported to the City immediately and the reason for said cancellation or rescheduling.
 - ii. Subrecipient shall use online methods to market and outreach to business clients, which include but are not limited to EventBrite, for publishing all workshops, community events, etc. Events and activities should have an associated registration link or telephone contact number directed to the LABSC.
 - iii. Subrecipient shall provide a list of courses and workshops being offered and the scope of the course. All courses and workshops shall be free and open to the public without any restrictions placed on attending.
 - iv. Subrecipient shall designate staff person(s) to act in a liaison role regarding marketing, branding issues, and public relations and shall identify this staff person(s) to City and advise of any staff changes to this liaison role.
 - v. The liaison may be required to attend periodic system-wide marketing and public relations coordinating meetings. In addition, Subrecipient shall participate in all fairs and business-related events sponsored by the LABSC, City, and the Mayor's Office of Economic Development (MOED). Subrecipient shall schedule to either host or participate in business outreach events during the first week of May, which is designated as National Small Business Week.
 - vi. Subrecipient shall market City Programs as requested by City to their Clients, customers, and community partners.
 - vii. All website content shall be uniform to the City and LABSC brand as provided and approved by the City. Marketing standards of the City with respect to the announcement/advertisement of the LABSC must be adhered to as prescribed by the City.

3. Client Services

- a. Subrecipient shall provide all Clients access to services at or through the LABSC. Access shall be defined as a physical, on-site location or a technologically linked entry point. Information and services shall, at a minimum, be provided in English and Spanish and any other language(s) appropriate for the geographic community and individual needs. Subrecipient shall provide all Client services as a single service delivery system.
- b. Client Outreach
 - i. Subrecipient shall conduct outreach and recruitment activities to reach individuals who reflect the demographics of the primary geographic service area to be served. Client outreach and recruitment shall include, but not be limited to, preparing and implementing specific action plans, as required by City Directives and Information Bulletins, to target and serve the population identified as underserved in the service delivery areas a LABSC is governed to serve under the agreement of this Contract. All outreach activities must be entered on electronic Customer Relationship Management (CRM) Database as directed by City
 - ii. Subrecipient may coordinate with adjacent City Subrecipients in providing outreach, recruitment, and services to Clients in adjacent service delivery areas.
 - iii. Subrecipient shall coordinate with the City in developing and implementing the LABSC outreach, recruitment, marketing plan, and social media, in accordance with the LABSC objectives, and ensure all marketing refers to the City.
 - iv. Subrecipient shall inform all interested Clients services available through the LABSC.
 - v. Subrecipient shall inform Clients about general program eligibility and collaborators' program requirements, overall responsibilities of the Client and the LABSC and collaborators, general timeframes, steps involved in becoming an LABSC Client, and the overall goals of the program(s).
- c. Determining Eligibility

At the point when LABSC staff determines that significant staff intervention will be required to serve the customer, Subrecipient shall assess customer for eligibility by verifying the customer is either a resident or owns a business in the City of Los Angeles. If the customer is a resident, then the Subrecipient shall make a copy of satisfactory proof of residency (i.e., Driver's License, Identification Card, DWP bill). If the customer resides outside the City but owns a business in the City, then the Subrecipient shall make a copy of satisfactory proof of the business location (i.e., DWP bill, business license). Subrecipient shall provide to each Client who meets the minimum eligibility criteria information on the full array of applicable or appropriate services available through other services providers.

4. Business Objectives Assessment

- Subrecipient shall provide a business needs assessment that shall include an evaluation of educational attainments, occupational/transferable skills, Client interests, and aptitudes, and/or vocational potentials for business objectives of each Client. Once the assessment is done, it should be used to develop a plan of action and relationship with the Client, guiding them toward job creation.
- a. Subrecipient shall maintain on file documentation of assessments conducted for each Client and the results of each assessment. Subrecipient shall use Client Assessment Form for all clients and upload on electronic Customer Relationship Management (CRM) Database as directed by City.

- b. The City reserves the right to require specific assessment tools. Subrecipient shall comply with City directives, as applicable, on assessment tools.
 - c. After receiving an initial business assessment but before receiving staff assisted activities, Clients must be enrolled in the program. Subrecipient shall use the City approved Individual Business Service Agreement form.
- 5. Client Service Notes

Client service notes will contain information on client interactions the BSC conducted to help the client reach their business objectives (Job Creation and/or Job Retention) all service note entries must be captured on Client Resource Management (CRM) database as prescribed by City.

 - a. The business coach is ultimately responsible for coordinating and documenting the development of the Client Service Notes with the Client's participation.
 - b. The Client Service Notes identifies the appropriate achievement objectives and the appropriate combination or mix of services for the Client, based on the objective assessments conducted to achieve the established goal.
 - c. The Client Service Notes shall be reviewed, at minimum, monthly to evaluate the progress of each in meeting the objectives of the service strategy, including an evaluation of the Client's progress, as appropriate, and the adequacy of the supportive services provided.
 - d. If LABSC resources are not sufficient to provide the full range of services that might be identified in the Client Service Notes, Subrecipient shall make every reasonable effort to arrange for, through other community resources, and supportive services identified as needed in the Client Service Notes. Such referrals shall be tracked and documented on the business referral form and the CRM database.
 - e. For all Client Service Notes developed by Subrecipient, the document shall reflect which collaborator or subcontractor is responsible for delivery of services to the Client at each stage of participation in the program.
 - f. Satisfactory secondary evidence (i.e., business bank account, screenshot the Client's online store, rental agreement, POS system purchase, etc.) shall be included in the Client file with the Client Service Notes. Business license is not satisfactory secondary evidence.

D. Scope of Services to Clients

Subrecipients will lead the efficacy of the LABSC delivery systems to maximize services that promote the growth, stability, and success of businesses. Services are divided into the following three categories:

Core Services: Services labeled as "core services" are fundamental services the LABSCs are expected to provide, which are services that are essential to a business' foundation. These must be services that do not require the help of third-party partners and are able to both be a) quantified and b) delivered to completion.

Centralized Services: Centralized services are typically services that require particular expertise, technology, and time investment not readily available by LABSC Operators. LABSC operators will be required to collaborate with community partners procured by the City that will provide these centralized services.

Leveraged Services: Leveraged resources must be used in coordination with CDBG funds to support the Program's outcomes.

Subrecipients shall coordinate and deliver business services in various subject matters applicable to businesses, and capture all activities rendered on electronic Customer Relationship Management (CRM) Database as directed by City including:

CORE SERVICES	
General Business Services	• Business Needs Assessment • SWOT Analysis • Business Planning • Business Courses • Business Compliance Requirements • Marketing/Social Media • License and Permits • Entrepreneur Services • One-on-One Coaching
Financial Services	• Business Finance Courses • Procurement • Financial Analysis
Access to Capital	• Loan Packaging • Lenders Criteria (Direct and Indirect Lending) • Cash Flow Evaluation and Management
Technology	• Cybersecurity • Website Optimization • Payment and Financial Solutions
CENTRALIZED SERVICES	
Financial Services	• Credit Counseling
Technology	• Payment and Financial Solutions
Legal Services	• Leases and Property Management • Appropriate Business Structure • Contract Preparation and Review
LEVERAGED SERVICES	
Technology and Digital	• Website Development and Management
Financial Services	• Business Tax Preparation Support • Disaster Resiliency

E. Outcome Performance Measures

Each LABSC will be required to coordinate and deliver business services in various subject matters applicable to businesses as outlined in Section D - Scope of Services of this Exhibit. Clients will receive one or more of the services which should lead to meeting/exceeding the goals of creating and/or retaining a cumulative Ninety (90) permanent jobs as follows:

Service Results	Contract Goal
New Businesses Outreached	300
Total # of New Clients Enrolled	100
Total # of Events & Trainings Hosted	36
Loans Packaged	45
Economic Impact	
Jobs Created or Retained	90
New Businesses Launched	24
Total Capital Infusion	\$1,750,000
Increase Business Net Profit by 5%	25

1. HUD Job Creation Requirements

In accordance with CFR 24 570.506(b)5), the job must be created with the direct assistance of the LABSC, **AND** 51% of the jobs created must be made available or held by LMI persons. Jobs created can be part-time; however; LABSC jobs are counted on a FTE basis. Documentation required:

- a. Completed Assisted Activity For Job Creation Form (Exhibit J-1) with original signatures.

- b. List of employees with position titles prior to receiving services (payroll records, IBSA, or Exhibit J-3)
 - c. List of employees with position titles after receiving services (payroll records or Exhibit J-3)
- 2. HUD Job Retention Requirements
In accordance with 24 CFR 570.506(b)6, there must be evidence that in the absence of LABSC assistance the job would have been lost without the LABSC program services **AND** 51% of the jobs retained must be made available or held by LMI persons. Jobs created can be part-time; however; LABSC jobs are counted on a FTE basis. Documentation required:
 - a. Completed Assisted Activity For Job Retention Form (Exhibit J-2) with original signatures.
 - b. List of employees with position titles prior to receiving services (payroll records, IBSA, or Exhibit J-3)
 - c. List of employees with position titles after receiving services (payroll records or Exhibit J-3)
 - d. Documentation of services provided through LABSC directly preventing the loss of jobs **-and-**
 - i. Letter of explanation of the current business environment with income not sufficient to meet payroll and current profit and loss statement(s) evidencing losses in business income **-or-**
 - ii. Bank statements evidencing decreasing balances and challenges meeting credit and payroll responsibilities **-or-**
 - iii. Business Tax Returns for the previous two years evidencing a decreasing business income, thereby creating challenges meeting credit and payroll responsibilities.
- 3. Should Subrecipient, within the Term, fail to include the submission of the proper documentation for verification of job creation and retention required by EWDD and/or HUD, the Certification Form will not be counted towards the Outcome Performance Goal.
- 4. Subrecipient is to maintain a record of Enrollments and Core Services offered by entering in the Client Resource Management (CRM) database as prescribed by City on at least a monthly basis to ensure performance is achieved with acceptable documentation for each measure:
 - i. New Enrollments: signed Individual Business Service Agreement
 - ii. Business Courses: sign-in sheet of attendees.
 - iii. LABAVN Registrations: upload copy of registration (e.g. screenshot of company summary on LABAVN).
 - iv. Access to Capital: letter of funded loan, loan approval, referral, bank statement, or email confirmation.

F. Performance Evaluation

LABSC Performance Goals

The City maintains certain minimum expectations for Subrecipient performance and shall apply these standards in assessing actual Subrecipient performance relative to the goals as negotiated between the parties to the Agreement, or their respective designee(s). Non-compliance with or failure in meeting contracted goals may result in probation as set forth in §801 of the Contract.

- 1. Administrative Capability – as measured through formal monitoring and fiscal reviews of Subrecipient administrative and fiscal practices.
- 2. Subrecipient shall submit reports on a weekly basis that measures the progress of the Subrecipient performance. The following information will be collected:
 - a. Number of Businesses Outreached: Report the number of people who receive services provided by the Subrecipient through outreach activities, events, walk-ins, and one-on-one counseling.

- b. Number of Clients Enrolled: Report the number of business owner(s) or prospective business owner(s) enrolled as a Client.
 - c. Number of People Attended Workshops: Report the number of people attending workshops hosted by the Subrecipient.
 - d. Number of Loans Packaged: Report the number of loans packaged by Client(s) with direct assistance from the Subrecipient.
 - e. Number of Full-Time jobs created: Report the number of permanent full-time jobs created by Client(s) with direct assistance from the Subrecipient.
 - f. Number of Full-Time jobs retained: Report the number of permanent full-time jobs retained by Client(s) with direct assistance from the Subrecipient with proper documentation in the Client file.
 - g. Number of New Businesses Launched: Report the number of new businesses launched with direct assistance from the Subrecipient with proper documentation in the Client file.
3. City shall evaluate the Subrecipient's performance on a monthly basis. Evaluations will be based on the timeliness of performance, which includes meeting report submission deadlines such as weekly LABSC updates, Success stories, and other reports as deemed necessary by the City.

G. Authority of the City

Notwithstanding any other provisions of the Agreement, Subrecipient agrees that the City has authority to direct implementation of this program under the terms of the Agreement as follows:

- 1. City shall conduct primary oversight and monitoring of the LABSC that includes, but is not limited to, making physical inspections of the LABSC facilities, interviewing Subrecipient and subcontractor personnel and/or Clients, and examining and excerpting any books, documents, invoices, or other records concerning the Agreement at any time deemed necessary by the City.
- 2. Upon determination by the City that it is in the best interests of the overall LABSC, at its sole discretion, the City may in accordance with the provisions set forth in §803-805 herein, upon written notice to Subrecipient, take any of the following actions:
 - a. At its discretion, unilaterally terminate the Agreement in whole or in part upon giving the other party thirty (30) days written notice prior to the effective date of such termination, which date shall be specified in such notice.
 - b. Assume the day-to-day operation of the LABSC.
 - c. Assume the rights and responsibilities of Subrecipient's lease(s) and subcontract(s) entered into pursuant to the Agreement.
 - d. Direct Subrecipient and subcontractor staff activities at the LABSC, including requiring staff to attend mandatory meetings.
 - e. Require Subrecipient to subcontract with City-selected specialists to provide certain services.
 - f. Place materials, kiosks, computers, and other electronic equipment and accessories on the premises of the LABSC.
 - g. Assign City staff persons or consultants to the LABSC to provide direction and assistance on the operation of the program.
 - h. Require Subrecipient to comply with a system of financial controls and monitoring standards provided in City Directives and Information Bulletins.
 - i. Unilaterally reduce the Agreement budget, total dollar value, or services to be provided.
 - j. City shall take corrective action hereunder, including but not limited to, termination of the Agreement should it be determined that Subrecipient failed to meet performance measures under its prior agreement with City.
 - k. City shall control and administer all LABSC system-wide activities, including contracting with grantor agencies, other LABSC areas, and system collaborators and supervising training and interactions among system components.
 - l. City shall develop and implement the electronic infrastructure for the LABSC.

- m. City shall identify a system of financial controls for the LABSC with appropriate internal controls and audits. Subrecipient shall comply with all City Directives, and Information Bulletins relating to said system.
- n. City shall oversee the implementation and monitoring of the LABSC within existing rules, regulations, and guidelines.
- o. City shall monitor and assess Client satisfaction and facilitate the implementation of related best practices. Client satisfaction shall include, but not be limited to, the job seeker, business, Subrecipient, subcontractor, other contracting entities, and the City.
- p. City shall administer and control the complaint resolution process for the LABSC Program.

H. Special Conditions

- 1. If the City imposes additional requirements to the Agreement that Subrecipient believes could cause an increase in the cost of or the time required for the performance of the services, Subrecipient may request an equitable adjustment be made in the price or performance schedule, or both, and if the City concurs, the Agreement shall be amended in writing accordingly.
- 2. Neither party shall be liable for damages for delays in performance arising out of causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, strikes and unusually severe weather.
- 3. Services for Persons with Disabilities – Subrecipient shall ensure that all services available at the LABSC are accessible for persons with disabilities. All program facility (ies) must meet federal ADA standards and the ADAAA Pub. L. 110-325, and all subsequent amendments. Additionally, Subrecipient providing services that are specifically designed to meet the special needs of persons with disabilities are encouraged.

I. Subrecipient Responsibilities

Subrecipient shall provide social, supportive and/or advocacy services to eligible residents of the City using funding awarded by the City by the Agreement for this purpose.

- 1. Administrative Responsibilities
 - a. Target services, to the maximum extent possible, to persons who reflect the demographics of the proposed service area.
 - b. If subcontracts apply, ensure that the terms of the Agreement with the City are incorporated into all Subcontractor Agreements. Subrecipient shall submit all subcontractor agreements to the City for review prior to the release of any funds to the subcontractor. Subrecipient shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of the Agreement and their respective subcontractor agreement.
 - c. If subcontracts apply, ensure prior to the execution of a subcontractor agreement and, also, to the release of funds to a subcontractor, that the subcontractor agency has provided proper evidence of required insurance coverage(s), naming the City as an additional insured, including general comprehensive, liability, fidelity bond, property, non-owned auto(s), professional liability and workers' compensation, as required by the City.
 - d. If subcontracts apply, request payment for a subcontractor agency(ies) only after the required program and fiscal documentation has been received from the subcontractor agency.
 - e. Utilize every resource necessary to ensure that a Client remains engaged in prescribed service interventions and completes project-specified activities and/or demonstrates the expected outcomes.

2. Facility Requirements

Subrecipient's Program Location shall be physically located within the boundaries of the service

area. The site shall remain as designated herein unless the City approves, in writing, relocation to a new site within the specified service area. Subrecipient shall provide the City with sixty (60) days advance written notice of its intent to move or close the program site. The relocation expenditures shall not be borne by the City unless previously negotiated and approved by the City.

3. Project Personnel

- a. All City-funded positions are deemed to be essential to the work performed under the Agreement. Prior to terminating or diverting project personnel to any other program(s), Subrecipient shall notify the City of the proposed move, providing sufficient details to permit the City to evaluate the impact on the program of such change(s) in personnel and the plan for replacement of personnel. The City reserves the right to require through future City directive(s), certification of employees for certain program functions requiring special expertise. All personnel shall be qualified for their position by education and/or experience.
- b. Subrecipient shall employ persons meeting the qualifications for those positions as negotiated between Subrecipient and the City for the Agreement. Subrecipient shall not use grant funds provided under the Agreement to pay salaries in excess of the maximum salary designated for each position as negotiated between Subrecipient and the City. Deviation of the foregoing limitations shall require written City approval before becoming effective.
- c. The facility and program shall have bilingual capability (English and Spanish and/or English and another language, based on population served). Subrecipient shall also provide an accessible resource to interpret the needs of Clients fluent in other languages but who do not speak English. Said resource may be in the form of paid staff (regular or on-call) or in the form of volunteer help.
- d. Subrecipient shall be required to attend all meetings and/or training sessions as identified by the City. The Subrecipient may be excused from attendance only by prior written consent of the City.
- e. Designation of one position to be the administrative liaison to the City for the Agreement. This position must be one that is employed on a full-time basis by Subrecipient and will serve as the primary liaison between the Subrecipient and the City with respect to responding to administrative issues such as preparation and submission of required program data and reports, fiscal reports/requests for payment, and training. The administrative liaison for the Agreement is:

Phillip Starr

T) 213-355-5300 E) pstarr@mcscareergroup.com

Subrecipient shall provide a written notice to the City within ten (10) calendar days of any change in the identifying or contact information for the administrative liaison.

5. Capacity Building

- a. Subrecipient shall actively participate in capacity building workshops and staff development workshops provided by the City.
- b. All existing and newly hired staff on the LABSC budget **must** complete sexual harassment training. A certificate of completion of training shall be made available during the City's program on-site monitoring visit conducted by the City.
- c. Subrecipient shall develop and implement a tool for assessing the training needs of program-related staff from its own and all other agencies involved in the operation of this program.

- d. Subrecipient shall develop with input from key project personnel, implement and coordinate a plan for staff training that incorporates, at minimum, opportunities for cross-training on strategies for sharing and integrating case management functions, program services, and the development of common procedures, forms and communication methods, and an integrated system of performance evaluation.

6. Monitoring

a. Internal Monitoring

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

b. Subcontractor Monitoring

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

- i. Subrecipient shall conduct onsite monitoring of the subcontractor in accordance with established monitoring procedures and or directives from the City.
- ii. Subrecipient shall prepare and give written monitoring reports to the subcontractor(s) that, at minimum, identify successes and/or problems, make recommendations for quality improvement, and require, if applicable, the establishment of a corrective action plan to address problematic findings within a specified period. Subrecipient shall review the corrective action plan, approve in writing the acceptable corrective action(s) and follow up the implementation of corrective action by conducting an independent monitoring effort.
- iii. If a fiscal review of the subcontractor initiated by Subrecipient reveals evidence of disallowed costs, Subrecipient shall notify the City in writing. If the fiscal review identifies evidence of fraud and/or abuse, Subrecipient shall notify the City in writing within 24 hours.

Subrecipient shall require that each subcontractor develop and implement ongoing methods to self-evaluate key subcontractor personnel key and obtain Client feedback for continual improvement of program operations.

c. Fiscal Monitoring Requirements

Subrecipient shall perform a fiscal oversight of subcontracts. Subrecipient shall conduct a fiscal review at least once during the term of the subcontract. The fiscal review shall include, but not be limited to, site verification of time sheets, payroll registers, vendor invoices, canceled checks, and other documents deemed necessary to support claims for reimbursement. Subrecipient shall prepare a report that documents the site visit and make it available for City review.

7. Client Satisfaction

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

8. Complaint Procedures

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

- a. Subrecipient shall be responsible for compiling and maintaining a log of all complaints filed against itself and/or its subcontractors, and for providing a record of those logs to the City upon request.
- b. Administrative Hearing on Denial of Client Benefits and/or Services by Subrecipient.
 - i. Subrecipient has read and agrees to strictly comply with Title 22 of the California Code of Regulations, Section 100751, as amended, which sets forth elements to be included in appeal procedures applicable to persons denied benefits and/or services and shall advise individuals who have been denied assistance of their right to appeal within 20 days to the State for an administrative hearing pursuant to 42 USC 8624 (b) (13), as amended.
 - ii. The Client may withdraw a request for appeal for an administrative hearing of the appeal at any time during the appeal process by rendering written or oral notice to the State. Where oral notice is given, the parties thereto shall confirm such notice in writing.

EXHIBIT H
INVENTIONS, PATENTS AND COPYRIGHTS

A. Reporting Procedure for Inventions

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

B. Rights to Use Inventions

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

C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material (Material) is developed under this Agreement, the author or the City, at the City's discretion, may copyright the Material. If the City declines to copyright the Material, the City shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, access, manufacture, improve upon, and allow others to do so for all governmental purposes, any Material developed under this Agreement.
2. The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement. Subrecipient shall comply with 24 CFR 85.34.

D. Rights to Data

1. The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401-1. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. §401 or §402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404-3 instead of unlimited rights (48 CFR 27.404-1).
2. Obligations Binding on Subcontractors Subrecipient shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

E. Intellectual Property Provisions for California Sub-Grants – IF APPLICABLE

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

F. Ownership

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

2. For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents (whether or not issued,) copyrights, trademarks, service marks, applications for any of the foregoing: inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will any data or information maintained, collected or stored in the ordinary course of business by City/State, and all other legal rights protecting intangible proprietary information as may exist now and/or hereafter come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country, jurisdiction.
3. For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter, including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works, including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos, computer software and any other materials of products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. "Works" does not include articles submitted to peer review or reference journals or independent research projects.
4. In the performance of this Agreement, Subrecipient may exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Subrecipient may access and utilize certain of City's/State's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Subrecipient shall not use any of City's/State's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of City/State. Except as otherwise set forth herein, neither Subrecipient nor City/State shall give any ownership interest in or rights to its Intellectual Property to the other Party. If, during the term of this Agreement, Subrecipient accesses any third-party Intellectual Property that is licensed to City/State, Subrecipient agrees to abide by all license and confidentiality restrictions applicable to City/State in the third-party's license agreement.
5. Subrecipient agrees to cooperate with City/State in establishing or maintaining City/State's exclusive rights in the Intellectual Property, and in assuring City's/State's sole rights against third-parties with respect to the Intellectual Property. If the Subrecipient enters into any agreements or subcontracts with other parties in order to perform this Agreement, Subrecipient shall require the terms of agreement(s) to include all Intellectual Property provisions herein. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to City/State all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Subrecipient or City/State and which result directly indirectly from this Agreement or any subcontract.
6. The requirement for the Subrecipient to include all Intellectual Property Provisions in all agreements and subcontracts it enters into with other parties does not apply to agreements or subcontracts that are for customized and on-the-job-training as authorized under 20 CFR 663.700-730.
7. Subrecipient further agrees to assist and cooperate with City/State in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony, and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce City's/State's Intellectual Property rights and interests.

G. Retained Rights/License Rights

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

from this Agreement, unless Subrecipient assigns all rights, title and interest in the Intellectual Property as set forth herein.

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

H. Copyright

1. Subrecipient agrees that for purposes of copyright law, all works made by or on behalf of Subrecipient in connection with Subrecipient's performance of this Agreement shall be deemed "works for hire." Subrecipient further agrees that the work of each person utilized by Subrecipient in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Subrecipient or that person has entered into an agreement with Subrecipient to perform the work. Subrecipient shall enter into a written agreement with any such person that: (i) all work performed for Subrecipient shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to City/State to any work product made, conceived, derived from or reduced to practice by Subrecipient or City/State and which result directly or indirectly from this Agreement. Refer to 2 CFR Section 200.35.
2. All materials, including, but not limited to, computer software, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Subrecipient or City/State and which result directly or indirectly from this Agreement may not be reproduced or disseminated without prior written permission from City/State.

I. Patent Rights

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

J. Third-Party Intellectual Property

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

K. Warranties

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

- c. It has secured and will secure all rights and licenses necessary for Intellectual Property, including, but not limited to, consents, waivers or releases from all authors or music or performances used, and talent (radio, television, and motion picture talent), owners of any interest in and to real estate, site locations, property or props that maybe used or shown.
 - d. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to City/State in this Agreement.
 - e. It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance or computer software in violation of copyright laws.
 - f. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Subrecipient's performance of this Agreement.
2. City/State makes no warranty that the intellectual property resulting from this subgrant Agreement does not infringe upon any patent, trademark, copyright or the like, now existing or subsequently issued.

L. Intellectual Property Indemnity

- 1. Subrecipient shall indemnify, defend and hold harmless City/State and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products ("Indemnities") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third-party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim action, or proceeding, commenced or threatened) to which any of the Indemnities may be subject, whether or not Subrecipient is a party to any pending or threatened litigation, which arise out of or are related to: (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Subrecipient pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of City's/State's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Subrecipient or City/State and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that was issued after the effective date of this Agreement. City/State reserves the right to participate in and/or control, at Subrecipient's expense, any such infringement action brought against City/State.
- 2. Should any Intellectual Property licensed by the Subrecipient to City/State under this Agreement become the subject of an Intellectual Property infringement claim, Subrecipient will exercise its authority reasonably and in good faith to preserve City's/State's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to City/State. City/State shall have the right to monitor and appear through its own counsel (at Subrecipient's expense) in any such claim or action. In the defense or settlement of the claim, Subrecipient may obtain the right for City/State to continue using the licensed Intellectual Property, or replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, City/State may be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- 3. Subrecipient agrees that damages alone would be inadequate to compensate City/State for breach of any term of these Intellectual Property provisions herein by Subrecipient. Subrecipient acknowledges City/State would suffer irreparable harm in the event of such breach and agrees City/State shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

M. Survival

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

EXHIBIT I
SUBCONTRACT AND PROCUREMENT PROCEDURES

§1 SUBCONTRACTS

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

§2 PROCUREMENT PROCEDURES

- A. It is the policy of the City to encourage fair and open competition in its procurement for goods and services. The requirements for a fair and open competition include the development of written procurement policies that include, but are not limited to, all of the following subsections. It is the City's intent that the following rules be binding upon the City and its subcontractors. Several of the provisions herein include City-mandated rules and procedures in addition to the other grant requirements. Such policies are applicable to subcontractors to the extent permitted bylaw.
- B. Purpose. It is the intent of these rules that these procedures shall apply to all subcontracts including, but not limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, and consultant services subcontracts. All Subrecipients are required to prepare written procurement procedures. All written procedures and policies for procurement activities are to be available for public inspection.
- C. Competition. The City and each of its Subrecipients shall conduct procurement in a manner that provides full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:
 - 1. Placing unreasonable requirements on firms or organizations in order for them to qualify to do business;
 - 2. Requiring unnecessary experience and excessive bonding;
 - 3. Noncompetitive pricing practices between firms or organizations or between affiliated companies or organizations;
 - 4. Noncompetitive awards to consultants that are on retainer contracts;
 - 5. Organizational conflicts of interest;
 - 6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement;
 - 7. Overly restrictive specifications; and
 - 8. Any arbitrary action in the procurement process.
- D. Responsibilities.
 - 1. The following procedures shall apply to all procurement under this Agreement in order to ensure that all solicitations:
 - a. Incorporate a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurement, contain features which unduly restrict competition; and
 - b. Identify all requirements that the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
 - 2. Issue a Public Notification. The notification must be made through an announcement in a local public medium (e.g., newspaper) or other media that covers the entire service area.
 - 3. All steps of each procurement must be documented, including a description of the documentation process and where the documentation will be located.

4. Subrecipient shall provide a copy of the Request for Proposal (RFP)/ Request for Qualification (RFQ) to anyone who requests it. Subrecipient shall compile a list of everyone requesting a copy of the RFP/RFQ.
5. The Subrecipient shall ensure that all pre-qualified lists of persons, firms or other organizations that are used to acquire goods and services are current and include sufficient numbers of qualified sources to ensure maximum open and free competition. The agencies listed on the bidder's list may be individually notified.
6. The Subrecipient shall not use funds provided under this Agreement to duplicate facilities or services available in the area (with or without reimbursement) from federal, State, or local sources, unless it is demonstrated that the Agreement-funded alternative services or facilities would be more effective or more likely to achieve performance goals.
7. The Subrecipient shall maintain records that are sufficient to detail the significant history of a procurement procedure in compliance with 2 CFR Parts 200 and 2900. These records shall include, but are not limited to, the following: rationale for the method of procurement, the selection of contract type, contractor selection or rejection, rationale and reasonable rating criteria and the basis for the contract type.
8. The Subrecipient shall keep records sufficient to insure that funds have not been spent unlawfully.
9. The Subrecipient shall retain all records pertinent to any procurement agreement/contract within the County of Los Angeles for a period of three (3) years following termination of the Agreement and after final disposition of all pending matters. "Pending Matters" include, but are not limited to, an audit, litigation, or other activities involving records. Prior to destruction of records retained under this Agreement, the Subrecipient shall notify the City and request instructions on disposition of said records.
10. The Subrecipient shall not contract with any party which is debarred, suspended or otherwise excluded from participation in federal assistance programs in accordance with 2 CFR Part 200. All contracts shall include a self-certification from the contractor that it is not a debarred party.

The federal government prohibits awards to any party that is debarred. The federal government compiles a list of debarred parties. The federal list is published by the General Services Administration; a copy may be obtained by telephoning the Superintendent of Documents (202/512-1600). The list will be issued as an information Bulletin in May of each year. It is the Subrecipient's responsibility to ensure that funds are not awarded to entities on the debarment lists.
11. Procurement shall be conducted at least once every three years.
12. Procurement activities must be conducted in a confidential manner. Staff involved in procurement must not divulge advance purchasing information, specific proposal/offer evaluation criteria, negotiations with bidders or in-house discussions regarding a procurement until such time as this information is released to all parties.
13. Subrecipient shall receive and log in proposals and establish a method for recording the date and time of arrival of proposals using either a login sheet or a date/time stamp. Subrecipient shall establish a single location for receipt of proposals. Subrecipient shall ensure that only proposals received by the deadline specified in the RFP/RFQ qualify for the evaluation process unless there is a valid legal reason for otherwise considering a late proposal.
14. Subrecipient shall establish proposal evaluation procedures that shall include, but not be limited to, the following:
 - a. Clear staff responsibilities. A procurement specialist shall be designated for each bid/proposal process. It shall be the responsibility of the specialist to ensure compliance with these procurement rules.
 - b. Develop a standard worksheet or check list for determining responsiveness of each proposal.
 - c. Establish and use evaluation criteria and a standard evaluation worksheet to be used in recording the evaluations of each proposal.
 - d. Prepare an analysis of costs to verify allowability and to determine reasonableness.
 - e. Identify staff responsibilities for completing proposal evaluation and for summarizing evaluation results.
 - f. Develop a description of methods for ensuring independence of ratings by those involved in the evaluation process (i.e., prohibit discussion among staff, sequestered evaluators).
 - g. Identify policy and process by which selection of awardee(s) will be made.
 - h. Provide an opportunity for bidders to appeal staff recommendations.
 - i. Items a-c should be sufficiently completed before issuance of the RFP so relevant parts can be included.

15. Subrecipient shall identify complete and timely proposals. Subrecipient shall review the technical merits of these proposals based on the rating criteria contained in the RFP/RFQ. Subrecipient shall review the cost proposals based on applicable cost principles and the technical proposal. For participant service RFPs/RFQs demonstrated performance and ability must be documented and should include independently verified information and data.
16. Subrecipient shall determine which proposals are in the competitive range for technical response and based on the cost and price analysis conducted prior to the RFP/RFQ are within the cost and price criteria.
17. Subrecipient shall negotiate with organization(s) in the competitive range. Subrecipient shall establish policies and procedures governing face-to-face negotiations. Subrecipient shall include in the criteria that all responsive offerors in the competitive range are given fair and equal consideration based on the merits of their proposals. Subrecipient shall document these negotiations in writing.
18. Subrecipient shall determine for participant service RFPs the demonstrated performance and ability of the highest rated offeror(s). This determination must be documented and should include independently verified information and data.
19. Private for-profit entities must obtain prior written approval from the City for purchases of personal property (other than supplies) using Agreement funds.
20. Subrecipient shall conduct and document oversight to ensure compliance with these procurement procedures.
21. City may procure goods and services from other governmental entities in accordance with Agreement procurement regulations. Contracts may not contain prices that are higher than that available to the general public. All such contracts are subject to cost reasonableness requirements.
 - a. In-school youth programs may be sole sourced to public and nonprofit private secondary schools.
 - b. City may use as the basis for selecting a provider a procurement process from another government in its market area upon review of the procurement process and City determination that such process complies with this Agreement and local law.
 - c. City may use the Central City Purchasing agent in order to procure office supplies, basic equipment and other similar goods.
 - d. The City may authorize its Subrecipient to use a subcontractor who has been already selected through the City's procurement process without requiring an additional procurement process.
22. If the State or the City has established a debt against an Agreement service provider that has not been repaid or a repayment agreement plan has not been implemented, then the service provider shall be barred from receiving any future grant funds.
23. The City will use the definition of a private postsecondary education institute as defined in the California Education Code Section 94302(w) as any person doing business in California that offers to provide or provides, for a tuition, fee, or other charge, any instruction, training, or education primarily to people who completed or terminated their secondary education or are beyond the age of compulsory high school attendance. Information Bulletin B95-83 provides further guidance regarding post-secondary education.
24. Participation of Minorities, Women and Small Businesses
To the fullest extent possible in the administration of this Agreement, Subrecipient agrees to provide opportunities for minorities, women and small businesses to participate in procurement under this Agreement.

E. Cost or Price Analysis

1. Subrecipient shall establish standards for the performance of cost or price analysis.
2. Under 2 CFR 200.323, Subrecipient shall perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications, to determine that the expenditure is reasonable. The method and degree of analysis depends on the facts surrounding the particular procurement situation, but at a minimum, the Subrecipient shall make independent estimates before receiving bids or proposals.
 - a. Subrecipient must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.
 - b. Any indirect costs in a proposal must be carefully reviewed to ensure that the costs are not duplicated by direct costs. Indirect costs must be allocated in accordance with an approved cost allocation plan.
 - c. If a bidder proposes to use a subcontractor as part of its proposal, all costs in the proposed

subcontract must also be evaluated in the same manner as for the primary proposal.

d. Cost analysis must carefully evaluate salaries of owners of sole proprietorships or partnerships who submit offers to ensure that they are in line with the services to be performed.

3. The following cost analysis steps shall be used 1) verify cost or pricing data and evaluate cost elements; 2) evaluate the effect of the offeror's current practices on future costs; 3) compare proposed costs for individual cost elements; 4) verify that offeror's cost submissions are in accordance with cost principles (allowable/allocable); and 5) review to determine that all necessary cost or pricing data have been submitted.
4. Agreement procurement shall not permit excess program income (for nonprofit and governmental entities) or excess profit (for private for-profit entities). If profit or program income is included in the price, the City or the Subrecipient shall negotiate profit or program income as a separate element of the price for each contract/subcontract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit or program income, consideration shall be given to:
 - a. The complexity of the work to be performed;
 - b. The risk borne by the Subrecipient;
 - c. The Subrecipient's investment;
 - d. The amount of subcontracting;
 - e. The quality of the Subrecipient's record of past performance; and
 - f. Industry profit rates in the surrounding geographical area for similar work.
5. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.
6. Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under 2 CFR 200, Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
7. All Subrecipients must comply with 29 CFR section 97.25 income regulations, EDD Directive WSD15-25, issued May 24, 2016, entitled "WIOA Program Income," and City contract provisions regarding program income.
8. All goods and services procured pursuant to the Agreement must be in compliance with the allowable cost provisions in 29 CFR §95.27, 29 CFR §97.22 and any State or Federal directives on allowable costs.

F. Awarding of Agreement/Contract.

1. Prior to an award of a contract, the City shall make a determination that the Subrecipient has demonstrated effectiveness in providing RFP documented services. Agreements/Contracts shall be made only with responsible subcontractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. The selected proposer must be a responsive entity that has submitted a proposal or bid which meets all requirements of the solicitation adequately, which includes responding to the RFP/ RFQ within the required time frames, and completing all forms and documents. A responsible entity is one that has been determined to: 1) have a satisfactory record of integrity and business ethics; 2) have a satisfactory performance record; 3) have adequate financial resources to perform the contract or the ability to obtain such resources; 4) be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and business commitments; 5) have the needed organization, experience, accounting, operational control and technical skills or ability to obtain them; 6) have adequate production, construction or technical equipment and needed facilities or the ability to obtain them; 7) be able to meet the program design specifications; 8) be able to meet performance goals which includes a showing of demonstrated effectiveness in providing employment and training services; 9) be able to provide services that can lead to the achievement of competency standards for participants, and 10) be both qualified and eligible to receive the award under applicable law and regulation. Subrecipient shall make the award(s) and finalize the contract(s). Subrecipient shall follow established procedures for formal notification of offerors of the results of the evaluations and selection process.
2. Subrecipient must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used as described in §6, hereinbelow.
3. Where such advertised bids are obtained, the awards shall be made to the responsible bidder whose bid is responsive to the invitation and is most advantageous to the grantee, price and other factors considered. Factors such as discounts, transportation costs, and life cycle costs may be considered in determining the

lowest bid. No points shall be given for status as a sub- Subrecipient or a contractor with an approved childcare policy within existing delivery systems. However, if a bid results in a tie score, preference may be given to the Subrecipient or a subcontractor with an approved childcare policy.

4. Any or all bids may be rejected when it is in the City/Subrecipient's interest to do so, and such rejections are in accordance with applicable State and local law, rules, and regulations.

G. Additional Requirements for High Risk Subrecipients/Subcontractors.

1. Subrecipient must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performances and financial and technical resources.
2. In evaluating risks posed by a potential contractor/subcontractor, the following may be considered:
 - a. History of performance;
 - b. Financial stability;
 - c. Quality of management systems and ability to meet the management standards prescribed in 2 CFR Part 200;
 - d. Conformance to general or specific terms and conditions of a previously awarded grant or sub-grant;
 - e. Reports and findings from audits;
 - f. Ability to effectively implement statutory, regulatory or other imposed requirements; or
 - g. Is not otherwise responsible.
3. If the City/Subrecipient agency determines that a grant or sub-grant will be made to a "high-risk" Subrecipient or subcontractor, the City/Subrecipient may impose additional specific award conditions, including:
 - a. Requiring payments as reimbursement rather than advance payments;
 - b. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
 - c. Requiring additional, more detailed financial reports;
 - d. Requiring additional monitoring;
 - e. Requiring the Subrecipient or subcontractor to obtain specific technical or management assistance; and/or
 - f. Establishing additional prior approvals (e.g. requiring awarding agency approval prior to hiring/firing, award of small purchase contracts).
4. If the City/Subrecipient decides to impose such funding restrictions, the awarding official must notify the Subrecipient or subcontractor as early as possible, in writing, as to:
 - a. The nature of the additional requirements;
 - b. The reason(s) why the additional requirements are being imposed;
 - c. The nature of the action needed to remove the additional requirement, if applicable;
 - d. The time allowed for completing the actions, if applicable; and
 - e. The method for requesting reconsideration of the additional requirements imposed.
5. Any special conditions must be promptly removed once the conditions that prompted them have been corrected.

H. City Code of Conduct

Subrecipient shall comply with the Conflict of Interest provisions found in Section 504 of this Agreement.

I. Methods of Procurement

Within the context of open competition, there are five methods by which agencies may procure goods and services (micro-purchase, small purchase, sealed bids, competitive proposals, and non-competitive proposals). For a transaction of less than \$250,000, the small purchase method may be used. However, the sealed bid and competitive proposal

may also be selected. For transactions of \$250,000 or more, the sealed bid or competitive proposal must be used.

1. Micro-Purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$10,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

Anticipated Price

Required Action

Up to \$10,000

May be awarded without soliciting competitive quotations if non-Federal entity considers the price to be reasonable

- a. Documentation: To substantiate reasonableness, documentation can include product or service catalogs, current price lists, or telephone contact with bidders to obtain quotes (i.e., a memorandum that reflects the oral quotations by source and dated and signed by a Subrecipient staff person obtaining the bids). Catalogs and price lists should be updated annually.

2. Small Purchases

- a. Informal procurement methods for procuring services, supplies, or other property that are under \$250,000. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Anticipated Price

Required Action

\$10,000 to \$25,000

Two documented quotations

\$25,001 to \$250,00

Three or more written quotations

- b. Documentation: For "3 written quotes," the RFQ must either be provided in writing to the bidders or transmitted as uniformly as possible over the telephone. To be considered, the response must be signed and dated by the bidder responding to the RFQ.
- c. A cost/price analysis must be conducted prior to purchase for small purchases. Lowest price is the normal criteria for selecting goods and services. Qualifications of the bidder, availability of the goods or services, service to be provided, quality and location are some additional factors that could influence the procurement. The documentation must contain the basis for bidder selection. If the basis is something other than the price, the Subrecipient must prepare written documentation describing the additional criteria for selection, its relevance to the need and benefit, and the relative advantage of the offering from the selected bidder. Documentation should be retained as described in the procurement procedures.
- d. Many governmentally-linked subrecipients purchase office supplies and basic office equipment through their central governmental supply house or procurement administration. Items procured for subrecipient use in this manner will be assumed, for the purposes of WIOA, to be purchased competitively by the central governmental purchasing agency and to meet the requirements of these regulations. Any item purchased solely for WIOA use must be purchased following applicable City Information Bulletins, State Information Notices, City and State Directives, the WIOA, and its regulations.

3. Competitive Sealed Bids—Formal Advertising- Above \$250,000

- a. Subrecipient shall prepare an Invitation for Bid (IFB) or similar solicitation document that includes a complete, adequate, and realistic specification or purchase description. Sealed bids shall be publicly solicited and a firm-fixed-price contract (lump sum or unit price) or other fixed-price arrangement. Subrecipient shall distribute the IFB to subcontractors on an established bidders' lists (if available). Subrecipient shall publicly advertise the procurement in a local newspaper with Workforce Development area-wide circulation. Subrecipient shall notify the bidders of the dispute resolution process. Contracts shall be awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. Subrecipient shall determine the demonstrated performance and ability of the lowest bidder who meets the technical requirements (for service providers).
- b. If sealed bids are used, the following requirements apply:
- (1) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids and publicly advertised;
 - (2) The IFB, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

- (3) All bids will be opened at the time and place prescribed in the IFB, and opened publicly;
- (4) A firm fixed price contract will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs must be considered in determining which bid is the lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- c. Subrecipient reserves the right to reject any or all bids if there is a sound documented reason that is fully described and documented in the procurement file. Subrecipient may award a firm fixed-price or fixed-unit price contract by written notice to the responsible offer or whose bid represents the lowest price and conforms with all of the specifications in the IFB. Subrecipient shall also provide written notification of the awarding of the contract to the bidders who were not accepted. Subrecipient shall document the procurement in the procurement file.

4. Competitive Proposals- Formal Advertising – Above \$250,000

- a. Proposals shall normally be conducted with more than one source submitting an offer. Either a fixed-price or a cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - (1) RFPs must be publicized and identify all evaluation factors and their relative importance. Any response to publicized RFPs must be considered to the maximum extent practical;
 - (2) Proposals must be solicited from an adequate number of qualified sources;
 - (3) Subrecipient must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - (5) Subrecipient may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- b. Subrecipients shall ensure that they use a documented methodology for technical evaluations and shall award the contract to the responsible offeror whose proposals are most advantageous to the program with price, technical, and other factors considered. Requests for proposals must be formally advertised for all contracts above \$250,000.
- c. The Subrecipient must indicate in the RFP the scope of work and service area, the method for scoring the proposals, the deadline for receipt, and the dispute process. The various components of the request will be valued and the value assigned should be reasonable in relation to the entire request. The Subrecipient can reserve the right to reject any or all bids when the bid is not responsive. However, the Subrecipient must state this in the solicitation and the specific reasons must be fully described and documented in the procurement file. The Subrecipient must establish a method for recording the date and time that proposals were received. This process must ensure that only proposals received in accordance with the date and time specified in the RFP qualify for the evaluation process. A log is an acceptable method for recording date and time of receipt
- d. Subrecipient must conduct a cost or a price analysis of the proposals selected for consideration. See above-mentioned Section E, "Cost or Price Analysis."

5. Noncompetitive Proposals – Sole Source

- a. To conduct a noncompetitive procurement, the criteria for a sole source justification must be met. Sole source contracts shall be procured through solicitation of a proposal from only one source, the funding of an unsolicited proposal, or, after solicitation of a number of sources, when competition is determined inadequate. All sole source justifications require prior City approval. City approval, however, does not guarantee that the Grantor will not make an adverse determination as to whether the requirements for a sole source justification have been met. All sole source procurements must be documented, and the proposer must have demonstrated performance in supplying the goods or services. Subrecipient shall minimize the use of sole source procurements to the extent practicable, but in every case, the use of sole source procurements shall be justified and documented.

- b. Purchases of goods and services for the general administration of the administrative entity (EWDD) should follow normal business practices to ensure receipt and quality of the goods and services. Procurement by noncompetitive proposals may be used only when the award of a contract is unfeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:
 - (1) The item or service is available only from a single source;
 - (2) The public exigency or emergency need for the item or service does not permit a delay resulting from competitive solicitation and the procurement is for a limited time only;
 - (3) The awarding agency authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.
 - (5) OJT contracts, except OJT brokering contracts, which shall be selected competitively, or enrollment of individual customers in classroom training.

J. Appeal and Dispute Procedures

1. The City and its contractors shall have protest procedures to handle and resolve disputes relating to their procurements. A protester shall exhaust all administrative remedies with the Subrecipient before pursuing a protest at a higher level. Notice of appeal rights and procedures must be given to all bidders. WIOA bidders who are dissatisfied may file a complaint in accordance with City WIOA complaint procedures.
2. The selected bidders are offered contracts after the evaluation and negotiation process is completed. The contracts with subcontractors must contain all provisions set forth in Section K below, and the requirements of 29 CFR Part 97. When purchasing material subject to copyright law, the Subrecipient must include the copyright provisions in 29 CFR 97.34.
3. Regardless of the amount of the award, all contractors shall certify to a Drug Free Workplace. All awards to contractors in excess of \$100,000 shall certify that no funds shall be used for lobbying. All contracts and awards to contractors and subrecipients in excess of \$25,000 shall include debarment certifications.

K. RFP/RFQ Procedures

1. It is City policy to contract for services on the basis of demonstrated competence and reasonable price by obtaining bids or proposals. Before preparing an RFP/RFQ for the procurement of services, several preliminary activities should be performed including the determination of the City's/Subrecipient's needs, consulting with contractors and other local governments, and developing an approach to the procurement process. Subrecipients must justify the procurement method used for each purchase. Once these activities are completed, the development of an RFP/RFQ can begin.
2. The sample RFP/RFQ format will require modification to the language to clarify that the solicitation is from a contractor and not the City. In the RFP process, cost is usually one of several selection criteria that proposers must address in their proposals. By contrast in the RFQ process, cost becomes a selection criterion only after proposers have been evaluated based on a review of their qualifications. RFQs are usually reserved for the selection of engineers, architects, or other highly specialized, technical service providers.
3. The purpose of these guidelines is to present ideas and material that are characteristic of well-prepared solicitations. The guidelines are not intended to provide total coverage of any topic. While the guidelines apply generally, exceptional circumstances may call for modifying or excluding one or more of the suggested provisions. In any case, the RFP or RFQ should be tailored to the job that needs to be done. The arrangement, adequacy, clarity, simplicity and appeal of the solicitation document shall remain the responsibility of the administering agency. To be most effective, a solicitation document should be clear and complete but avoid repetition, legalism or extraneous information. RFPs must be publicly advertised.
4. To obtain a copy of the most updated EWDD-issued Standard RFP Format document, please contact your program monitor.

§3 RECORDS AND AUDITS OF SUBCONTRACTS

- A. Records shall be maintained in accordance with requirements prescribed by the City with respect to all matters covered by any subcontract. Such records shall be retained within the Los Angeles Area for a period of three (3) years after receipt of final payment under this Agreement and all other pending matters are closed, unless authorization to remove them is granted in writing by the City.
- B. Expenditures pertaining to subcontracts shall be supported by properly executed documents evidencing in detail the nature of the charges.

- C. At such times and in such forms as the City may require, there shall be furnished to the City such statements, records, reports, data and information as the City may request pertaining to matters covered by any subcontract.
- D. These records shall be made available to the City for copying, audit, and inspection at any time during normal business hours.

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

Under no circumstances shall the Subrecipient enter into Cost-Plus-a-Percentage-of-Cost subcontracts.

§5 RESTRICTION ON DISBURSEMENTS

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

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

Under 2 CFR 200.321, and along with Executive Order Nos. 11625, 12432, and 12138, Subrecipient must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include:

- A. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- B. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- E. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

§7 COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT

Subrecipient will require its subcontractors, if any, to include the language of Section 505.A.3 of this Agreement in any subcontract.

EXHIBIT J-1
SAMPLE HUD JOB CREATION CERTIFICATION FORM

ASSISTED ACTIVITY JOB CREATION CERTIFICATION FORM 2021

This is a confidential form for reporting job creation for monitoring purposes only for the City of Los Angeles, Economic and Workforce Development Department, Economic Development Division. Effective date: June 1, 2021.

EMPLOYEE SECTION: *To be completed by the employee.*

Employee Name or Employee ID#: _____

City, State & Zip: _____

Race/Ethnic Origin: Check one in each section.

Race (check <u>one</u> of the following 10 categories):		Ethnicity (check <u>one</u>):	
American Indian or Alaska Native	American Indian or Alaskan Native AND White	Hispanic / Latino	
Asian	Asian AND White	Not Hispanic / Latino	
Black or African American	Black/African American AND White		
Native Hawaiian or Other Pacific Islander	American Indian/Alaskan Native AND Black/African-American		
White	Balance / Other	Decline to state	

Income Status: Find the size of your family on the grid below, then circle the income level in that row that applies to your family prior to your current employment. Family Income levels are subject to change by HUD.

2021 CDBG Income Guidelines– Circle the appropriate box:				
Family Size	Group 1	Group 2	Group 3	Group 4
1 Person	\$0 - \$24,850	\$24,851 - \$41,400	\$41,401 - \$66,250	\$66,251 +
2 Person	\$0 - \$28,400	\$28,401 - \$47,300	\$47,301 - \$75,700	\$75,701 +
3 Person	\$0 - \$31,950	\$31,951 - \$53,200	\$53,201 - \$85,150	\$85,151 +
4 Person	\$0 - \$35,450	\$35,451 - \$59,100	\$59,101 - \$94,600	\$94,601 +
5 Person	\$0 - \$38,300	\$38,301 - \$63,850	\$63,851 - \$102,200	\$102,201 +
6 Person	\$0 - \$41,150	\$41,151 - \$68,600	\$68,601 - \$109,750	\$109,751 +
7 Person	\$0 - \$44,000	\$44,001 - \$73,300	\$73,301 - \$117,350	\$117,351 +
8 Person	\$0 - \$46,800	\$46,801 - \$78,050	\$78,051 - \$124,000	\$124,001 +

Falsification of a certification form is a violation of federal law and subject to prosecution.

Signature of Employee _____ Date Signed _____
(Signature required for this form to be valid.)

EMPLOYER SECTION: *To be completed by the employer.*

Employer's Name: _____ Company Name: _____

Business Address: _____

Position Information:

This position is: a) ☐ a New Position ☐ an Existing Position

b) ☐ Full Time (at least 35 hrs per week) ☐ Part Time (# of Hours/Week: _____)

Position Title: _____ Start Date: _____

Job Category for this Position: Check One			
Official or Manager	Sales	Operative (Semi-skilled)	
Professional	Office or Clerical	Laborer (Unskilled)	
Technician	Craft Worker (Skilled)	Service Worker	

Signature of Company Representative _____ Date Signed _____

CONSULTANT SECTION: *To be completed by the consultant (if applicable)*

Contractor Name: _____ Consultant's Name: _____

Signature of the Consultant _____ Date Signed _____

EXHIBIT J-2
SAMPLE HUD JOB RETENTION CERTIFICATION FORM

ASSISTED ACTIVITY JOB RETENTION CERTIFICATION FORM 2021

This is a confidential form for reporting job retention for monitoring purposes only for the City of Los Angeles, Economic and Workforce Development Department, Economic Development Division. Effective date: June 1, 2021.

EMPLOYEE SECTION: *To be completed by the employee.*

Employee Name or Employee ID#: _____

City, State & Zip: _____

Race/Ethnic Origin: Check one in each section.

Race (check <u>one</u> of the following 10 categories):		Ethnicity (check <u>one</u>):
American Indian or Alaska Native	American Indian or Alaskan Native AND White	Hispanic / Latino
Asian	Asian AND White	Not Hispanic / Latino
Black or African American	Black/African American AND White	
Native Hawaiian or Other Pacific Islander	American Indian/Alaskan Native AND Black/African-American	
White	Balance / Other	Decline to state

Income Status: Find the size of your family on the grid below, then circle the income level in that row that applies to your family prior to your current employment. Family Income levels are subject to change by HUD.

2021 CDBG Income Guidelines– Circle the appropriate box:				
Family Size	Group 1	Group 2	Group 3	Group 4
1 Person	\$0 - \$24,850	\$24,851 - \$41,400	\$41,401 - \$66,250	\$66,251 +
2 Person	\$0 - \$28,400	\$28,401 - \$47,300	\$47,301 - \$75,700	\$75,701 +
3 Person	\$0 - \$31,950	\$31,951 - \$53,200	\$53,201 - \$85,150	\$85,151 +
4 Person	\$0 - \$35,450	\$35,451 - \$59,100	\$59,101 - \$94,600	\$94,601 +
5 Person	\$0 - \$38,300	\$38,301 - \$63,850	\$63,851 - \$102,200	\$102,201 +
6 Person	\$0 - \$41,150	\$41,151 - \$68,600	\$68,601 - \$109,750	\$109,751 +
7 Person	\$0 - \$44,000	\$44,001 - \$73,300	\$73,301 - \$117,350	\$117,351 +
8 Person	\$0 - \$46,800	\$46,801 - \$78,050	\$78,051 - \$124,000	\$124,001 +

Falsification of a certification form is a violation of federal law and subject to prosecution.

Signature of Employee _____ Date Signed _____
(Signature required for this form to be valid.)

EMPLOYER SECTION: *To be completed by the employer.*

Employer's Name: _____ Company Name: _____

Business Address: _____

Position Information:

This position is: a) ☐ a New Position ☐ an Existing Position
b) ☐ Full Time (at least 35 hrs per week) ☐ Part Time (# of Hours/Week: _____)

Position Title: _____ Start Date: _____

Job Category for this Position: Check One			
Official or Manager	Sales	Operative (Semi-skilled)	
Professional	Office or Clerical	Laborer (Unskilled)	
Technician	Craft Worker (Skilled)	Service Worker	

I certify that this position was ☐ threatened by layoff or ☐ out of area relocation could not fill if it wasn't for Community Development Block Grant (CDBG) funded business assistance services.

Signature of Company Representative _____ Date Signed _____

ASSISTED ACTIVITY JOB RETENTION CERTIFICATION FORM 2021

CONSULTANT SECTION: *To be completed by the consultant (if applicable)*

I certify services provided by the Consultant directly prevented the loss of jobs and sufficient documentation is included in the Client file.

Initial: _____

Select the documentation provided to evidence hardship and eventual loss of jobs without the assistance of CDBG funded services:

☐ Letter of explanation of current business environment with income not sufficient to meet payroll and current profit and loss statement(s) evidencing losses in business income

☐ Bank statements evidencing decreasing balances and challenges meeting credit and payroll responsibilities

☐ Business Tax Returns for previous two years evidencing a decreasing business income thereby creating challenges meeting credit and payroll responsibilities.

☐ Business was affected by the City, County, and State directives pertaining to the COVID-19 pandemic and Consultant's assistance helped prevent layoffs.

☐ If other, please specify: _____

Agency Name: _____ Consultant's Name: _____

Signature of the Consultant _____ Date Signed _____

EXHIBIT J-3
SAMPLE ASSISTED ACTIVITY JOB INFORMATION REPORT

City of Los Angeles
ASSISTED ACTIVITY JOB INFORMATION REPORT

Business Name:	Report Capture Date:
Business Address:	Prepared By: Print Name/Title:

Instructions:

1. Please complete for all existing employment positions. The first two lines are provided as examples only.
2. Hours: Indicate the number of hours worked each week.
3. Attach additional sheets as needed.

	NAME	TITLE	HOURS PER WEEK
	Jane Doe	Exec. Assistant	40
	VACANT	Sales Clerk	26
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

I understand that the information given in this Assisted Activity Job Information Report is subject to verification by government officials for the purpose of documenting job creation or retention activities. The information provided is true and correct to the best of my knowledge.

Signature of Business Owner or their Designee

Date

EXHIBIT K
CERTIFICATION REGARDING DRUG FREE WORKPLACE REQUIREMENTS

Contractor certifies that it will provide a drug-free workplace, in accordance with the federal Drug-Free Workplace Act of 1988 (41 USC 8102 *et seq.*), 29 CFR Part 98; and the California Drug-Free Workplace Act of 1990, CA Gov't Code § 8350-8357:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Establishing a drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. Contractor's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the CDBG program be given a copy of the statement required by paragraph 1 above.
4. Notifying the employee in the statement required by paragraph 1. that, as a condition of employment under the CDBG program, the employee will:
 - a. Abide by the terms of the statement, and
 - b. Notify Contractor of any criminal drug statute convictions for a violation occurring in the workplace no later than five days after such conviction.
5. Notifying the City within ten days after receiving notice under subparagraph 4. b. from an employee or otherwise receiving actual notice of such conviction.
6. Taking one of the following actions, within 30 days of receiving notice under subparagraph 4.b. with respect to any employee who is so convicted:
 - a. Taking appropriate personnel action against such an employee, up to and including termination (consistent with requirements of the Rehabilitation Act of 1973 and the Americans with Disabilities Act), or
 - b. Requiring the employee's satisfactory participation in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or other appropriate agency.
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of the provision of this certification.

AGREEMENT NUMBER: T7062

SABIO ENTERPRISES, INC.
SUBRECIPIENT/BORROWER/AGENCY

LILIANA A. MONGE, CHIEF EXECUTIVE OFFICER
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE