

35932

REIMBURSABLE CONTRACT

FOR THE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BETWEEN

THE COUNTY OF LOS ANGELES

AND AN

OTHER PUBLIC AGENCY

Page is intentionally blank

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT
WITH AN
OTHER PUBLIC AGENCY
TABLE OF CONTENTS**

Recitals	Page 1
Contract & Contract Administration, Scope of Services, and Time of Performance	Page 1
Compensation and Method of Payment, Change Notices, Budget, and Source and Appropriation of Funds	Pages 2-3
Compliance with Federal, State & Local Laws	Pages 3-6
Lobbying Certifications & Termination for Failure to Comply with Federal and County Lobbyist Requirements	Page 7
General Provisions & Requirements	
- Confidentiality of Reports	Page 8
- Contract Work Hours & Safety Standards Act; and Accident Prevention	Page 8
- Severability, Interpretation, Waivers	Page 8
- Program Evaluations and Review	Pages 8-9
Financial Provisions & Requirements	
- Expenditures	Page 9
- Use of Funds	Page 9
- Use of Funds for Entertainment, Meals, or Gifts	Page 9
- Budget Modifications	Page 9
- Financial Closeout Period	Pages 9 10
- Disallowed Costs	Page 10
- Audits	Page 10
- Audit Exceptions	Page 10
- Fiscal Limitations	Pages 10-11
- Reversion of Assets	Page 11
- Program Income	Page 11
- Nonexpendable Property	Pages 11-12
- Purchase or Lease of Nonexpendable Property	Pages 12-13
- Accounting	Page 13
- Changes	Page 13
- Changes in Grant Allocation	Page 13
- Revenue Disclosure Requirement	Pages 13-14
- Joint Funding	Page 14
- Assurances	Page 14
Federal, State, County Provisions & Other Requirements	
- Citizen Participation	Page 14
- Notices	Pages 14-15
- Assignment	Page 15
- Subcontracting	Pages 15-16
- Notice of Federal Earned Income Credit	Page 16

- Conflict of Interest	Pages 16-17
- Time of Performance Modifications	Page 17
- Independent Contractor	Page 17
- Amendments/Variations	Page 17
- Acquisition of Supplies and Equipment	Page 17
- Monitoring and Evaluation	Pages 17-18
- Insurance	Page 18
- Failure to Procure Insurance	Page 18
- Indemnification	Pages 18-19
- Nepotism	Page 19
- Religious and Political Activities	Page 19
- Reports and Records	Page 19
- Certification Prohibiting Use of Excessive Force	Page 19
- Drug-Free Workplace	Pages 19-20
- Residential Anti-Displacement and Relocation Assistance	Pages 20-21
- Property Maintenance Standards	Page 21
- Termination for Improper Consideration (Gratuities)	Page 21
- Operating Agency's Warranty of Adherence to County's Child Support Compliance Program	Pages 21-22
- Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program	Page 22
- Post Most Wanted Delinquent Parents List	Page 22
- County's Quality Assurance Plan	Page 22
- Termination for Convenience	Pages 22-23
- Termination for Cause	Page 23
- Architectural Barriers Act and the Americans with Disabilities Act	Pages 23-24
- Use of Recycled-Content Paper Products	Page 24
- Employees of Operating Agency	Page 24
- Contractor Responsibility and Debarment	Pages 24-26
- Copeland "Anti-Kickback" Act	Page 26
- Davis Bacon Act	Page 26
- Section 3	Pages 26-27
- Construction/Rehabilitation Projects	Page 28
- Patent Rights	Page 28
- Photographs, Footage, and other Media Material	Page 28
- Operating Agency's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law	Pages 28-29
- Notice To Employees Regarding Safely Surrendered Baby Law	Page 29
- Operating Agency's Warranty of Compliance with County's Defaulted Property Tax Reduction Program	Page 29
- Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program	Page 29
- Compliance with County's Zero Tolerance Human Trafficking	Pages 29-30
- Clean Air Act	Page 30
- Energy Policy and Conservation Act	Page 30
- Warranty of Authority	Page 30
- Entire Contract	Page 30

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT
WITH AN
OTHER PUBLIC AGENCY**

35932

PROJECT TITLE: City of Long Beach Homeless Court: Enhanced Response Program

PROJECT NUMBER: 602322-20

CONTRACT NUMBER: 111542

THIS CONTRACT is made and entered into this 2nd day of June 2021, by and between the County of Los Angeles, hereinafter called the "County," acting by and through the Los Angeles County Development Authority (LACDA), and City of Long Beach, hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County has entered into a Contract with the United States of America, through its Department of Housing and Urban Development (HUD), to execute the County's Community Development Block Grant (CDBG) Program, which includes the project described herein, under the Housing and Community Development Act of 1974 (Act), as amended; and

WHEREAS, the Operating Agency desires to participate in said CDBG program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide the services and implement the project described herein.

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

1. CONTRACT. This Contract consists of this document and attachments: Exhibit A, Project Description and Activity Budget, and Exhibit B, Insurance Requirements.
2. CONTRACT ADMINISTRATION. LACDA through its Executive Director, or his/her designee, shall have full authority to act for the County in the administration of this Contract consistent with the provisions contained herein.
3. SCOPE OF SERVICES. The Operating Agency is to perform all the services set forth in the Exhibit A, Project Description and Activity Budget.
4. TIME OF PERFORMANCE. The Operating Agency shall commence the services described herein on the date first above written and shall complete same by no later than June 30, 2022. Construction projects shall be limited to a three-year duration, and must be successfully completed within this period, unless the Operating Agency has received prior written approval from LACDC, through its Executive Director, or his/her designee.

5. COMPENSATION AND METHOD OF PAYMENT. For satisfactory performance under this Contract, the County shall reimburse the Operating Agency an amount not to exceed Two Hundred Fifty-Four Thousand Dollars and Zero Cents (**\$254,000.00**), which shall constitute full and complete compensation hereunder for the implementation of the project described in Exhibit A. Said reimbursement will only be paid out of funds received from the federal government under the Act or from program income, as described in 2 CFR 200 Section 200.307 and 24 CFR Section 570.504 accumulated under said program, for allowable costs actually incurred and paid for the express purposes specified. The parties understand and agree that such reimbursement, if any, shall be conditioned upon receipt of said funds by the County from the federal government or accumulation of program income from said program, and shall not be a charge against any other funds of the County. Funds shall be paid only after submittal of the electronic payment request form. This payment request form must be submitted on a minimum of a monthly basis as specified and provided by the County. Said payment request shall give the total of said cash expenses paid during the monthly reporting period and shall also itemize the same in detail conforming to the budget required by Section 7 of this Contract. After timely receipt and approval of each payment request form, the County will draw a check in favor of the Operating Agency in the approved amount.

The Operating Agency shall have no claim against the County or LACDA for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Operating Agency after the expiration or other termination of this Contract. Should the Operating Agency receive any such payment, it shall immediately notify the County and immediately repay all such funds to the County. Payment by the County for services rendered after expiration and/or termination of this Contract shall not constitute a waiver of the County's right to recover such payment from the Operating Agency. This provision shall survive the expiration or other termination of this Contract.

6. CHANGE NOTICES. The Operating Agency may transfer funds from one cost category to another, without having to initiate an amendment, as long as there is no material change to this contract and the Operating Agency does not exceed the authorized budget for the CDBG Program. The LACDA must approve the change prior to it being made.
7. BUDGET SECTION. No more than the amounts and expenditure items specified in the Exhibit A, Project Description and Activity Budget, to this Contract, which is attached hereto and incorporated herein by reference in Section 3, may be spent for the separate cost categories specified in the Exhibit A without written approval of the County.
8. SOURCE AND APPROPRIATION OF FUNDS. The County's obligation is payable only and solely from funds appropriated through HUD, and for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1. In the event that this Contract extends into succeeding fiscal years, and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current

fiscal year. The County will endeavor to notify the Operating Agency in writing within ten (10) days of receipt of the non-appropriation notice.

9. COMPLIANCE WITH LAWS. All parties agree to be bound by all applicable Federal, State, and local laws, ordinances, regulations, and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Act; 24 CFR Part 570; 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Executive Order 12372; the County Auditor-Controller Contract Accounting and Administration Handbook; and all amendments or successor laws, regulations, or guidelines thereto (hereinafter called the "Laws, Regulations and Guidelines"). The Operating Agency has, and shall maintain, copies of the Laws, Regulations and Guidelines. Furthermore, the Operating Agency acknowledges that it has read and understands the Laws, Regulations and Guidelines.

As required by 2 CFR Part 200 Section 200.414, the Operating Agency may charge an indirect cost rate to this contract that is based on:

- a. The negotiated indirect rate approved by its cognizant agency for the Fiscal Year applicable to this contract; or
- b. If the Operating Agency has never received a negotiated indirect cost rate from a Federal Agency, a de minimis rate of 10% of Modified Total Direct Costs (MTDC) as defined in 2 CFR Part 200.68.

The Catalog of Federal Domestic Assistance (CFDA) number assigned to the Community Development Block Grant Program is 14.218 and the Federal Award Identification Number (FAIN) assigned to the County for this program is B-20-UC-06-0505. The Federal Award date is effective July 1, 2020 and is authorized upon signature of the designated HUD Official.

The Operating Agency is required by the County to register and maintain an active Unique Entity Identifier (also known as the Data Universal Numbering System (DUNS) number) in order to apply for, receive, implement, and report on a Federally-funded program. Furthermore, the County certifies that it has received and maintains an active Unique Entity Identifier number for each Agency.

The Operating Agency shall comply with all applicable uniform administrative requirements. The Operating Agency shall carry out each activity in compliance with all applicable Federal laws and regulations described in 24 CFR Part 570, Subparts J and K and 2 CFR Part 200, except that:

- a. The Operating Agency does not assume the County environmental responsibilities described in 24 CFR 570.604 and 24 CFR Part 58.1; and
- b. The Operating Agency does not assume the County's responsibility for initiating the review process under Executive Order 12372.

The Operating Agency agrees to be bound by applicable Federal, State, and local laws, regulations, and directives as they pertain to the performance of the Contract, including, but not limited to, Sections a-j below. This Contract is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzales National Affordable Housing Act, 1990 and 24 CFR Part 200.

- a. The Operating Agency shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- b. The Operating Agency shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded, in whole or in part, with funds made available under this title.
- c. The Operating Agency shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.
- d. The Operating Agency shall comply with 24 CFR Part 5, including non-discrimination and equal opportunity requirements at 24 CFR 5.105(a). Furthermore, the Operating Agency shall comply with 24 CFR Parts 5 and 203, which prohibit discrimination in HUD funded programs based upon sexual orientation or gender identity. The rule precludes owners and operators of HUD-assisted housing or housing who's financing is insured by HUD from inquiring about the sexual orientation or gender identity of an applicant or occupant.
- e. The Operating Agency shall ensure equal opportunity in the award and performance of any contract to all persons without regard to race, color, gender, sexual orientation, religion, national origin, ancestry, age, marital status, or disability.
- f. During the performance of this Contract, the Operating Agency agrees as follows:
 - i. The Operating Agency shall comply with Executive Order 11246 of September 24, 1965, titled, Equal Employment Opportunity, later amended by Executive Order 11375 of October 13, 1967, and supplemented in the Department of Labor Guidelines (41 CFR Part 60), which require that during the performance of this Contract, the Operating Agency will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Operating Agency will take affirmative

action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operating Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

- ii. The Operating Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Operating Agency, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- iii. The Operating Agency will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency of the Operating Agency's contracting officer, advising the labor union or worker's representative of the Operating Agency's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- iv. The Operating Agency will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- v. The Operating Agency will furnish all information and reports required by the Executive Orders and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the County and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- vi. In the event that the Operating Agency fails to comply with the non-discrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part, and the Operating Agency may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Orders or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- vii. The Operating Agency will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions shall

be binding upon each subcontractor or vendor. The Operating Agency will take such actions with respect to any subcontract or purchase order as the County may direct as a means of enforcing such provisions including sanctions for noncompliance, provided, however, in the event that the Operating Agency becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the County, the Operating Agency may request the United States to enter into such litigation to protect the interests of the United States.

- g. The Operating Agency shall comply with Executive Order 13166, titled "Improving Access to Services by Persons with Limited English Proficiency." Executive Order 13166 requires that Federally assisted agencies make reasonable efforts to provide language assistance to ensure meaningful access for Limited English Proficiency (LEP) persons to the agency's programs and activities. HUD guidelines on LEP were published in the Federal Register on January 22, 2007 and were effective February 21, 2007. These HUD guidelines should be applied to federally subsidized housing, programs, and other services which may be contracted out to other contractors.
- h. Should the Operating Agency require additional or replacement personnel after the effective date of this Contract, the Operating Agency shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program, or General Relief Opportunity For Work (GROW) Program who meet the Operating Agency's minimum qualifications for the open position. The Operating Agency shall contact the County's GAIN and GROW Programs at (562) 908-6858 for a list of GAIN/GROW participants by job category.
- i. The Operating Agency is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using Federally-appropriated funds for the purpose of 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 the awarding of any Federal contracts, the making of any Federal grant, loan, or cooperative contract, and any extension, continuation, renewal, amendment, or modification of said documents.

Should the Operating Agency or persons/subcontractors acting on behalf of the Contract fail to fully comply with the Federal Lobbyist Requirements, civil penalties may result.
- j. The Operating Agency and each County lobbyist or County lobbyist firm, as defined in the Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Operating Agency, shall fully comply with the requirements as set forth in said County Code Chapter.

10. LOBBYING CERTIFICATIONS. With regards to the certification for contracts, grants, and loans, the undersigned certify, to the best of their knowledge and belief, that:

- a. The Operating Agency is familiar with the Los Angeles County Code Chapter 2.160 and assures the County that all persons acting on behalf of the Operating Agency will comply with the County Code.
- b. The Operating Agency is familiar with the Federal Lobbyist Requirements and assures the county that all persons and/or subcontractors acting on behalf of the Operating Agency will comply with the Federal Lobbyist Requirements.
- c. No Federally-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 any 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.
- d. If any funds other than Federally-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, or any 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.
- e. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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.

11. TERMINATION FOR FAILURE TO COMPLY WITH FEDERAL AND COUNTY LOBBYIST REQUIREMENTS. Failure on the part of the Operating Agency and/or its Lobbyist(s) to fully comply with said Federal and County Lobbyist Requirements shall constitute a material breach of the Contract upon which the County may immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the County and/or any Federal agency as a result of such breach

12. CONFIDENTIALITY OF REPORTS. The Operating Agency shall keep confidential all reports, information, and data received, prepared, or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation, or entity without the prior written consent of the County.
13. CONTRACT WORK HOURS & SAFETY STANDARDS ACT; AND ACCIDENT PREVENTION. The Operating Agency shall comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, any contract awarded in excess of \$100,000 that involves the employment of mechanics or laborers must include a provision in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor Regulations (29 CFR Part 5).

The Operating Agency shall also comply with all applicable Federal, State, and local laws governing safety, health, and sanitation. The Operating Agency shall provide all safeguard safety devices and protective equipment and take any other needed actions, as its own responsibility, as reasonably necessary to protect the life and health of employees on the job, the safety of the public and personal and real property in connection with the performance of this Contract.

14. SEVERABILITY. In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.
15. INTERPRETATION. No provision of this Contract shall be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if both parties drafted it hereto.
16. WAIVER. No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this section 16 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
17. PROGRAM EVALUATIONS AND REVIEW. The County will monitor, evaluate and provide guidance to the Operating Agency in the performance of the CDBG Program. Reviews will focus on the extent to which the planned CDBG Program has been implemented and the measurable goals achieved, effectiveness of program management, and the impact of the program.

The Operating Agency shall make available for inspection to authorized County and HUD personnel and their agents, for five years (5) after the termination or expiration of this Contract, all records, including financial, pertaining to its performance under this Contract and allow said County and HUD personnel and agents to inspect and monitor the Operating Agency's facilities and program operations, and interview the

Operating Agency's staff and program participants, as required by the County and/or HUD.

The Operating Agency agrees to submit all data that are necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER) and monitor program accountability and progress in accordance with HUD requirements, in the format and at the time designated by the Executive Director, or his/her designee.

Failure of the Operating Agency to comply with the requirements of this Section shall constitute a material breach of contract upon which LACDA, through its Executive Director, or his/her designee, may cancel, terminate or suspend this Contract.

18. EXPENDITURES. Expenditures made by the Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit A, unless prior written approval for an exception is obtained from the LACDA, through its Executive Director, or his/her designee.
19. USE OF FUNDS. All funds approved under this Contract shall be used solely for costs approved in the program budget for this Contract. Contract funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any non-program obligations, or as loans for non-program activities. Separate financial records shall be kept for each funding source and program.
20. USE OF FUNDS FOR ENTERTAINMENT, MEALS, OR GIFTS. The Operating Agency certifies and agrees that it will not use funds provided through this Contract to pay for entertainment, meals, or gifts.
21. BUDGET MODIFICATIONS. The Executive Director, or his/her designee, who shall be a Division Director or higher, may grant budget modifications to this Contract for the movement of funds between the budget categories identified in Exhibit A, when such modifications:
 - a. Are specifically requested by the Operating Agency;
 - b. Will not change the project goals or scope of services;
 - c. Are in the best interest of the County and the Operating Agency in performing the scope of services under this Contract;
 - d. Do not alter the total amount of compensation under this Contract; and
 - e. Are in writing prior to expenditures being made.
22. FINANCIAL CLOSE OUT PERIOD. The Operating Agency agrees to complete all necessary financial close-out procedures required by the County, within a period of not more than 60 calendar days from the expiration date of this Contract. This time period will be referred to as the financial close out period. The County is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial close out period. After the expiration of the financial close out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by the County into other eligible activities in

the County. The County may request a final financial audit for activities performed under this Contract at the expiration of the financial close out period.

23. DISALLOWED COSTS. If Operating Agency has failed to return unexpended funds or funds spent for disallowed costs related to any CDBG Contract it has with the County, County may withhold and offset payments to be made to Operating Agency under this Contract.
24. AUDITS. The Operating Agency's program will be audited in accordance with the County's policy and funding source guidelines. Audits may also be conducted by Federal, State, or local funding source agencies. The County or its authorized representatives shall, at all times during the term of this Contract, and for a period of five (5) years thereafter, have access, for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Operating Agency. The Operating Agency's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Operating Agency's program. A financial audit of the Operating Agency's performance under this Contract shall be conducted at the County's discretion. If indications of misappropriation or misapplication of the funds of this Contract cause the County to require a special audit, the cost of the audit will be encumbered and deducted from this Contract's budget.

Failure of Operating Agency to comply with the requirements of this Section shall constitute a material breach of contract upon which LACDA, through its Executive Director, or his/her designee, may cancel, terminate or suspend this Contract.

25. AUDIT EXCEPTIONS. The Operating Agency agrees that in the event the program established hereunder is subject to audit exceptions by appropriate audit agencies, it shall be responsible for complying with such exceptions and paying the County the full amount of County's liability to the funding agency resulting from such audit exceptions.
26. FISCAL LIMITATIONS. The United States of America, through HUD, may in the future place programmatic or fiscal limitation(s) on CDBG funding. Accordingly, the County reserves the right, in its sole discretion, to revise this Contract in order to take into account actions and events affecting CDBG program funding. In the event of a CDBG funding reduction by HUD, the County may, in its sole discretion, reduce the compensation amount of this Contract in whole or in part, or may limit the rate of the Operating Agency's use of both its uncommitted and its unspent funds. LACDA, through its Executive Director, or his/her designee, may act for the County in implementing and effecting such a reduction in the compensation amount of this Contract.

Where LACDA, through its Executive Director, or his/her designee, has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Contract of the Operating Agency, LACDA, through the Executive Director, or his/her designee, may suspend this Contract for up to 60 days, upon three (3) days' notice to the Operating Agency, pending an audit or other resolution of such

questions. In no event, however, shall a revision made by the County affect expenditures and legally binding commitments made by the Operating Agency before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, that such commitments are consistent with HUD cash withdrawal guidelines, and that CDBG funds are available to the County to satisfy such expenditures or legally binding commitments.

27. REVERSION OF ASSETS. Upon expiration or termination of this Contract, the Operating Agency shall immediately transfer to the County any remaining CDBG funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of CDBG funds. Any real property under the Operating Agency's ownership or possession that was acquired or improved in whole or in part with CDBG funds, in excess of \$25,000, shall be either:
- a. Used to meet one of the national objectives in 24 CFR Section 570.208 for five (5) years following the close-out of the CDBG project from which assistance to the property was provided after expiration of this Contract (24 CFR Section 570.503), or such longer period of time as may be specified in the Exhibit A; or
 - b. Disposed of in a manner, that results in the County being reimbursed in the amount of the current market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time and under the conditions specified in subparagraph a. above.

The Operating Agency shall maintain the use of the real property and documentation verifying compliance with the national objective for a period of five (5) years after closeout of this project. The Operating Agency must submit to the County a completed certification form verifying that the property is used exclusively for the eligible use and purpose as provided in the Exhibit A. This form shall be submitted on an annual basis, when requested, beginning in year two (2) and for a period of five (5) years after closeout of the project. In case of a change of use or disposition, the County must be reimbursed for the current market value of the property at the time of disposition, or proceeds from the sale, less the pro rata share of expenditures made with non-CDBG funds to acquire or improve the property.

28. PROGRAM INCOME. Program income shall be returned monthly during the duration of this Contract. Upon termination of this Contract, the County reserves the right to determine the final disposition of any program income, as described in 2 CFR Part 200, Subpart D 200.307 and 24 CFR Section 570.504 accumulated under the project(s) set forth in Exhibit A. Said disposition may include the County taking possession of said program income.
29. NONEXPENDABLE PROPERTY. Nonexpendable property means leased or purchased tangible personal property, including, but not limited to, a vehicle, office equipment, etc. having a useful life of more than one (1) year and an acquisition cost of \$5,000 or more per unit. Nonexpendable property shall also include, but not be limited to, real property, any interest in real property (including any mortgage or other

encumbrance of real property), and funds derived from the sale or disposition of nonexpendable property.

Any utilization of funds derived from the sale or disposition of nonexpendable property must have prior approval of the County and otherwise comply with all applicable laws and regulations. In the event that the Contract is terminated or expires, the County reserves the right to determine the final disposition of said nonexpendable property acquired for this project with CDBG funds, including funds derived there from. Said disposition may include taking possession of said nonexpendable property.

The Operating Agency shall maintain up-to-date inventory records, listing all non-expendable property purchased with an acquisition cost of \$5,000 or more that it has leased or purchased during the term of this Contract. The following items should be included in the list: description of property, serial or ID number, source of funds that purchased the item, including the Federal Award Identification Number (FAIN), which is B-20-UC-06-0505, owner of the property, date of purchase, total cost, percentage of cost paid with CDBG and/or other Federal monies, location, condition and use of property, date of disposal, sale price or method used to determine the current market value, name of the individual completing the inventory, and the date the inventory was taken or updated. The Operating Agency shall conduct a physical inventory of the nonexpendable property at least once a year, reconcile the inventory with its property records, and maintain these records for five years (5) after the termination or expiration of this Contract.

In the event there is a change of use or disposition of the property during the term of the contract, except in the case of real property in excess of \$25,000, if the market value of the property is over \$5,000, the Operating Agency shall immediately pay to the County a pro-rata share of the current market value of the property, or proceeds from the sale. The pro-rata share shall be calculated by multiplying the current market value by the percentage of the purchase price paid with CDBG funds or program income.

If there is a residual inventory of unused supplies, upon termination or completion of the project or termination or expiration of this Contract, with a current aggregate market value exceeding \$5,000, and if the supplies are not needed for any other Federally sponsored program(s) or project(s), the Operating Agency shall immediately pay the County for its pro rata share of the current aggregate market value or proceeds from the sale calculated at the percentage of the purchase price paid with CDBG funds. The Operating Agency shall obtain prior approval of the County and otherwise comply with all applicable laws and regulations prior to utilizing the supplies for any other Federally sponsored program(s) or project(s).

30. PURCHASE OR LEASE OF NONEXPENDABLE PROPERTY. The Operating Agency may use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurement procedures conform to applicable Federal law and the standards identified in 2 CFR Part 200, Subpart D 200.318-200.326.

All procurement transactions must be conducted in a manner providing for full and open competition consistent with the standards of 2 CFR Part 200 Section 200.319 and Section 200.320, Methods of Procurement to be followed. The Operating Agency must purchase or lease from the lowest, responsive, and responsible bidder. Whenever possible, the Operating Agency must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used.

31. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accounting system in accordance with generally accepted accounting principles and standards, and the County Auditor-Controller Contract Accounting and Administration Handbook. Regardless of the Operating Agency's method of accounting, expenses must be reported in accordance with Sections 5 and 22 of this Contract.
32. CHANGES. The County may, from time to time, request changes hereunder, including the scope of services of the Operating Agency. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the County and the Operating Agency, shall be incorporated into this Contract by written amendments. Any changes by HUD to the regulations or requirements governing the Operating Agency's performance hereunder need not be incorporated by written amendment and will be binding for the Operating Agency upon notification by the County.
33. CHANGES IN GRANT ALLOCATION. The County reserves the right to reduce the grant allocation when the County's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation with the Operating Agency. Such changes shall be incorporated into this Contract by written amendments.
34. REVENUE DISCLOSURE REQUIREMENT. Upon request, the Operating Agency shall file with the County a written statement listing all revenue received, or expected to be received, by the Operating Agency from all funding sources applied for, or expected to be applied for, to offset, in whole or in part, any of the costs incurred by the Operating Agency in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Such statement shall reflect the name and a description of such business activity, the dollar amount of funding provided, or to be provided, by each and every funding source for each such project or business activity, and the full name and address of each funding source. The Operating Agency shall make available for inspection and audit to the County's representatives, upon request, at any time during the duration of this Contract, and for a period of five (5) years thereafter, all of its books and records relating to the operation of each project or business activity which is funded in whole or in part with all funding sources including the project(s) funded under this Contract, whether or not such monies are

received through the County. All such books and records shall be maintained by the Operating Agency at a location in Los Angeles County.

Failure of the Operating Agency to comply with the requirements of this Section 34 of this Contract shall constitute a material breach of contract upon which the County may immediately cancel, terminate or suspend this Contract through its Executive Director.

35. JOINT FUNDING. For projects in which there are sources of funds in addition to CDBG funds, the Operating Agency may be required to provide proof of such other funding. The County shall not pay for any costs incurred by the Operating Agency, which are paid with other funds. All restrictions and/or requirements provided for in this Contract, relative to accounting, budgeting and reporting, apply to the total project regardless of funding sources. Separate financial records shall be kept for each funding source and program.
36. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, 2 CFR Part 200, and that it will comply with all applicable Federal, State, and local laws and regulations as they relate to acceptance and use of Federal funds for this program. Also, the Operating Agency gives assurance and certifies with respect to the project specified in Exhibit A, that it will comply with all of the provisions of 24 CFR Section 570.303 and all other laws and regulations which pertain to assurances of program applicants. Furthermore, the Operating Agency gives assurance and certifies that it will comply with provisions of 41 CFR Part 60-1.4 and 24 CFR Part 135, each of which is incorporated herein by this reference. Operating Agency further assures and certifies that it will comply with any further amendments or changes to said required assurances and certifications and that, during the term of this Contract, it will maintain current copies of said assurances and certifications at the address specified below.
37. CITIZEN PARTICIPATION. All program data necessary to provide reports to citizens will be made available by the Operating Agency. Discussions will be held often enough so that the Operating Agency will be adequately apprised of citizen recommendations during the course of the program. The Operating Agency representatives shall be available to respond to questions and receive recommendations at local meetings when so requested by the Executive Director, or his/her designee.
38. NOTICES. All notices shall be served in writing. The notices to the Operating Agency shall be sent to the following address:

City of Long Beach
2525 Grand Ave 235
Long Beach, CA 90815-

Notices, reports and statements to the County shall be personally delivered or sent via First Class U.S. mail to the Executive Director, or his/her designee, at:

Los Angeles County Development Authority
Community & Economic Development Division-Grants Management Unit
700 W. Main Street
Alhambra, California 91801

Each party shall promptly notify the other of any change in its mailing address.

39. ASSIGNMENT. The Operating Agency may not assign any portion of this Contract without the express written consent of the County. Any attempt by the Operating Agency to assign any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract, upon which the County may immediately terminate this Contract through the Executive Director, or his/her designee.
40. SUBCONTRACTING. The requirements of this Contract may not be subcontracted by the Operating Agency without compliance of procurement standards and methods as outlined in 2 CFR Par 200, Subpart D Sections 200.318-200.326. Any attempt by the Operating Agency to subcontract without adherence to Federal regulations as required by the County may be deemed a material breach of this Contract.

If the Operating Agency desires to subcontract, the Operating Agency shall provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

The Operating Agency shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Operating Agency's employees.

The Operating Agency shall remain fully responsible for all performances required of it under this Contract, including those that the Operating Agency has determined to subcontract, notwithstanding the County's approval of the Operating Agency's proposed subcontract.

The Operating Agency shall address administrative, contractual, or legal remedies for all contracts in instances where subcontractors violate or breach contract terms. The Operating Agency must provide sanctions and penalties as appropriate.

The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Operating Agency is responsible to notify its subcontractors of this County right.

LACDA's Executive Director, or his/her designee, is authorized to act for and on

behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by LACDA, the Operating Agency shall forward a fully executed subcontract to the County for their files.

The Operating Agency shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

The Operating Agency shall obtain and maintain on site certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The County may request copies of the certificates and endorsements required herein at any time. Failure by the Operating Agency to comply with the County's request may be deemed by the County as a material breach of this contract.

41. NOTICE OF FEDERAL EARNED INCOME CREDIT. The Operating Agency shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.
42. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State, and County laws and regulations governing conflict of interest including, but not limited to, 2 CFR Part 200. Section 200.112 and 24 CFR Section 570.611. The Operating Agency agrees to incorporate the language found in this Section 42, CONFLICT OF INTEREST, in contracts using CDBG funds and subject to compliance with conflict of interest Federal, State, and County laws.

The general rule shall be that no person described in the *Persons covered* section below of this Section 42, CONFLICT OF INTEREST, who exercises, or has exercised any function or responsibilities with respect to CDBG activities, or who is in a position to participate in a decision making process or gain inside information with regards to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter.

Persons covered – The conflict of interest provisions of this Section 42, CONFLICT OF INTEREST, shall apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the CDBG Operating Agency, or of any designated public agencies, or of any subrecipients that are receiving CDBG funds.

The Operating Agency represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment, or otherwise, or as

a partner, joint venture or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the County or LACDA. Upon execution of this Contract and during its term, as appropriate, the Operating Agency shall disclose in writing to the County any other contract or employment during the term of this Contract by any other persons, business, or corporation in which employment will or may likely develop a conflict of interest between the County's and/or LACDA's interest and the interests of the third parties.

43. TIME OF PERFORMANCE MODIFICATIONS. The Executive Director, or his/her designee, who shall be a Division Director or higher, may grant time of performance modifications to this contract when such modifications:
- a. Are specifically requested by the Operating Agency;
 - b. Will not change the project goals or scope of services;
 - c. Are in the best interest of the County and the Operating Agency in performing the scope of services under this Contract;
 - d. Do not alter the total amount of compensation under this Contract; and
 - e. Are in writing prior to expenditures being made.
44. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in an independent capacity and not as agents, employees, partners, joint ventures, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. The Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.
45. AMENDMENTS/VARIATIONS. This writing, with attachments, embodies the whole of the agreement of the parties hereto. No oral agreement shall be binding upon the parties unless expressly stated herein. Except as provided herein, any addition to or variation of the terms of this Contract shall not be valid unless made in the form of a written amendment of this Contract formally approved and executed by both parties. All Amendments must be received by the County no less than 60 calendar days from the expiration date of this Contract.
46. ACQUISITION OF SUPPLIES AND EQUIPMENT. Following approval by the County for necessary supplies and equipment for Contract performance, the Operating Agency may purchase from a related agency/organization only if: (a) prior authorization is obtained in writing from the County, (b) no more than maximum prices or charges are made and no more than minimum specifications are met, as provided in writing by the County, (c) a community related benefit is derived from such Operating Agency related acquisition, and (d) no conflict of interest for private gain accrues to the Operating Agency or its employees, agents or officers.

47. MONITORING AND EVALUATION. The County will monitor, evaluate, and provide guidance to the Operating Agency in the performance of this Contract. Authorized representatives of the County and HUD shall have the right of access to all activities and facilities operated by the Operating Agency under this Contract. Facilities include all files, records, and other documents related to the performance of this Contract. Activities include attendance at staff, board of directors, advisory committee, and advisory board meetings, and observation of ongoing program functions. The Operating Agency will ensure the cooperation of its staff and board members in such efforts. The Executive Director, or his/her designee, may conduct program progress reviews. These reviews will focus on the extent to which the planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program.

Failure of Operating Agency to comply with the requirements of this Section shall constitute a material breach of contract upon which the Executive Director, or his/her designee, may cancel, terminate or suspend this Contract.

48. INSURANCE. The Executive Director hereby authorizes LACDA's Risk Manager to determine the requirements of the insurance policy to be procured and maintained by the Operating Agency with respect to its activities and obligations hereunder. Without limiting the Operating Agency's indemnification requirements as set forth in Section 50 below, the Operating Agency shall provide and maintain at its own expense during the term of this Contract, a program of insurance satisfactory to the LACDA's Risk Manager covering its operations hereunder, as specifically defined in Exhibit B to this Contract, a copy of which is attached hereto and incorporated herein by this reference.

49. FAILURE TO PROCURE INSURANCE. Failure on the part of the Operating Agency to procure or maintain required insurance (pursuant to Exhibit B) shall constitute a material breach of contract under which County may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by the County shall be repaid by the Operating Agency to the County upon demand or the County may offset the cost of the premiums against any monies due to the Operating Agency from the County.

50. INDEMNIFICATION. The Contractor shall indemnify, defend and hold harmless the LACDA, County, and its Special Districts, elected and appointed officers, employees, agents and volunteers ("LACDA Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the LACDA Indemnitees.

51. NEPOTISM. The Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by the Operating Agency, unless this action is approved by the Operating Agency's governing body and waived

by the County. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory, or management responsibilities, including serving on the governing body of Operating Agency.

52. RELIGIOUS AND POLITICAL ACTIVITIES. The Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, the Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.
53. REPORTS AND RECORDS. The Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by the County. Program progress reports shall be submitted as required, in the form specified by LACDA, through its Executive Director, or his/her designee. The Operating Agency shall maintain, and permit on-site inspections of such property, personnel, financial and other records and accounts as are considered necessary by the County to assure proper accounting for all Contract funds during the term of this Contract and for a period of five (5) years thereafter. The Operating Agency will ensure that its employees and board members furnish such information, which, in the judgment of County representatives, may be relevant to a question of compliance with contractual conditions, with County or granting agency directives, or with the effectiveness, legality, and achievements of the program.
54. CERTIFICATION PROHIBITING USE OF EXCESSIVE FORCE. In accordance with Section 519 of Public Law 101-144, the undersigned certifies, to the best of his or her knowledge and belief that it has adopted and is enforcing:
 - a. A policy prohibiting the use of excessive force in violation of applicable Federal, State or local laws by anyone acting under the authority or supervision of Operating Agency against any individuals engaged in non-violent civil rights demonstrations; and
 - b. A policy of compliance with applicable Federal, State, and local laws against individuals physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
55. DRUG-FREE WORKPLACE. Operating Agency agrees to provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

- b. Establishing an ongoing drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The Operating Agency's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph a. of this Section 55.
- d. Notifying the employee in the statement required by paragraph a. of this Section 55 that, as a condition of employment under the grant, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- e. Notifying the County in writing, within ten (10) calendar days after receiving notice under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such a conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d) (ii), with respect to any employee who is so convicted:
 - i. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - ii. Requiring such employee to participate satisfactorily 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.
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs a, b, c, d, e, and f.

56. RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN. Section 104(d) of the Housing and Community Development Act of 1974, also known as the Barney Frank Amendment, requires relocation assistance for displaced low-income families and requires one-for-one replacement of low/moderate income dwelling units that are demolished or converted to other use. When CDBG funds are used in a project, including financing for rehabilitation, or project delivery costs, Section 104(d) is triggered. CDBG Regulations further describe the requirements under 24 CFR Section 570.606 Displacement, Relocation, Acquisition, and Replacement of Housing.

The Operating Agency must adopt and make public a Residential Anti-Displacement and Relocation Assistance Plan as part of its administrative requirements to HUD. Before the Operating Agency enters into a Contract committing it to provide funds for any activity that will directly result in the demolition, or conversion to another use, of low/moderate-income dwelling units, it must make public and submit to HUD the information as described in Sections 24 CFR Sections 570.457; 570.496 (a); 570.606 (c); and 570.702 (f).

57. PROPERTY MAINTENANCE STANDARDS. The Operating Agency providing services under Contract to the County must ensure that sufficient property maintenance ("property maintenance standards") shall be provided to the facility where services are being provided. Property maintenance includes removal of trash and debris, graffiti abatement, landscaping, and physical appearance acceptable to the County.

58. TERMINATION FOR IMPROPER CONSIDERATION (GRATUITIES). The County may, by written notice to the Operating Agency, immediately terminate the right of the Operating Agency to proceed under this Contract if it is found that improper consideration, in any form, was offered or given by the Operating Agency, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment, or extension of the Contract or the making of any determinations with respect to the Operating Agency's performance pursuant to the Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Operating Agency as it could pursue in the event of default by the Operating Agency.

The Operating Agency shall immediately report any attempt by the County officer or employee to solicit such improper consideration. The Report shall be made to the Executive Director or the County Auditor-Controller's Employee Fraud Hotline (800) 544-6861.

59. OPERATING AGENCY'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. The Operating Agency acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Operating Agency's duty under this Contract to comply with all applicable provisions of the law, the Operating Agency warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

60. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Failure of the Operating Agency to maintain compliance with the requirements set forth in Section 59, OPERATING AGENCY'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM shall constitute a default by the Operating Agency under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the Executive Director, or his/her designee, may terminate this Contract pursuant to Section 64, Termination for Cause.
61. POST MOST WANTED DELINQUENT PARENTS LIST. The Operating Agency acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Operating Agency understands that it is the County's policy to voluntarily post a list entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Operating Agency's place of business. The CSSD will supply the Operating Agency with the poster to be used.
62. COUNTY'S QUALITY ASSURANCE PLAN.
The County will evaluate the Operating Agency's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Operating Agency's compliance with all Contract terms and performance standards. The Operating Agency's deficiencies, which the County determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Operating Agency. If improvement does not occur consistent with the corrective measure, the County may terminate this Contract, pursuant to Sections 63 or 64, or impose other penalties as specified in this Contract.
63. TERMINATION FOR CONVENIENCE. The County reserves the right to cancel this Contract for any reason at all upon 30 days' prior written notice to the Operating Agency. In the event of such termination, the Operating Agency shall be entitled to a

prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

If the County exercises its rights under Section 26, Fiscal Limitations, the Operating Agency shall have the right to terminate this Contract for convenience with 30 days' advance written notice under this Section 63.

64. TERMINATION FOR CAUSE. This Contract may be terminated by the County upon written notice to the Operating Agency for just cause (failure to perform satisfactorily) with no penalties incurred by the County upon termination or upon the occurrence of any of the following events in a, b, c, d, or e:
- a. Should the Operating Agency fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Operating Agency, and should the Operating Agency neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the County within the time specified in such notice, the County shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part;
 - b. Should the Operating Agency fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of the Contract, or if the work to be done under said Contract is abandoned for more than three (3) days by the Operating Agency, then notice of deficiency thereof in writing will be served upon the Operating Agency by the County;
 - c. Should the Operating Agency fail to comply with the terms of said Contract within five (5) days, upon receipt of said written notice of deficiency, LACDA, through its Executive Director, or his/her designee, shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part;
 - d. In the event that a petition of bankruptcy shall be filed by or against the Operating Agency; or
 - e. If, through any cause, the Operating Agency shall fail to fulfill in timely and proper manner the obligations under this Contract, or if the Operating Agency shall violate any of the covenants, Contracts, or stipulations of this Contract, the County shall thereupon have the right to terminate this Contract by giving written notice to the Operating Agency of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Operating Agency or under this Contract shall, at the option of the County, become its property and the Operating Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

65. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of residential structure as defined in 24 CFR Section 40.2 or the definition of building as defined in 41 CFR Part 101, is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures and Appendix A to 41 CFR Parts 101-19 for general type buildings). The Americans with Disabilities Act (42 U.S.C. Section 12131; 47 U.S.C. Sections 155.201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.
66. USE OF RECYCLED-CONTENT PAPER PRODUCTS. Consistent with the County Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, the Operating Agency agrees to use recycled-content paper to the maximum extent possible.
67. EMPLOYEES OF OPERATING AGENCY. *Workers' Compensation:* Operating Agency understands and agrees that all persons furnishing services to the County pursuant to this Contract are, for the purposes of workers' compensation liability, employees solely of the Operating Agency. The Operating Agency shall bear sole responsibility and liability for providing workers' compensation benefits to any person for injuries arising from an accident connected with services provided to the County under this Contract.

Professional Conduct: The County does not and will not condone any acts, gestures, comments, or conduct from the Operating Agency's employees, agents, or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The County will properly investigate all charges of harassment by residents, employees, or agents of the County against any and all Operating Agency's employees, agents, or subcontractors providing services for the County. The Operating Agency assumes all liability for the actions of the Operating Agency's employees, agents, or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Operating Agency.

68. CONTRACTOR RESPONSIBILITY AND DEBARMENT. A responsible contractor is a contractor, consultant, vendor, or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the policy of LACDA and the County to only conduct business with responsible contractors.

- a. The Operating Agency is hereby notified that if the County acquires information concerning the performance of a contractor on this or other contracts which indicates that the contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the contractor from bidding or proposing on, or being awarded, and/or performing work on County, and LACDA contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by circumstances, and terminate any or all existing contracts the contractor may have with the County and LACDA.
- b. The County may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with LACDA, the County, or a nonprofit corporation created by LACDA, or the County; (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with LACDA, the County, or any other public entity, or a nonprofit corporation created by LACDA, or the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against LACDA, the County, or any other public entity.
- c. If there is evidence that the contractor may be subject to debarment, the County will notify the contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- d. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or the contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The contractor and the County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.
- e. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- f. If a contractor has been debarred for a period longer than five (5) years, that contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, at its discretion, reduce the period of debarment or terminate the debarment if it finds that the contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after the debarment was imposed; or (4) any other reason that is in the best interests of the County.
 - g. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of the debarment period or termination of the debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
 - h. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
 - i. These terms shall also apply to subcontractors and consultants of the County, LACDA, or contractors, consultants, vendors, and operating agencies.
69. COPELAND "ANTI-KICKBACK" ACT. The Operating Agency shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented by Department of Labor regulations (29 CFR part 3). These terms shall apply to construction contracts in excess of \$2,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and consultants.
70. DAVIS-BACON ACT. The Operating Agency shall comply with the prevailing wage requirements of the Davis-Bacon Act as amended, (40 U.S.C. 3141-3148) and as supplemented by the Department of Labor regulations (29 CFR part 5). These terms shall apply to construction contracts in excess of \$2,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and consultants. The prevailing wage requirements also apply to CDBG funded activities for the rehabilitation of residential property when the project contains eight (8) or more housing units at the construction site.

71. SECTION 3. In order to comply with the Housing and Urban Development Act of 1968, the Operating Agency and, where applicable, its contractor(s) and subcontractor(s) shall comply with Section 3 regulations as described in 24 CFR Part 135. Section 3 compliance activities of the Operating Agency and its contractor(s) and subcontractor(s) shall be guided by the Construction Compliance Guidelines, as amended, which can be made available to the Operating Agency for inspection and copying upon request, if the Operating Agency does not already possess a copy.

- a. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

Section 3 covered assistance and thresholds apply to the following HUD assistance:

- i. Housing and Community Development assistance – Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with the expenditure of housing assistance (including Section 8 assistance, including other housing assistance not administered by the U.S. Assistant Secretary of housing); community development assistance that is used for housing rehabilitation (including abatement of lead based paint hazards, but excluding routine maintenance, repair and replacement; and other public construction); housing construction; and other public construction.

The threshold for Section 3 covered housing and community development assistance is \$200,000 or more. This threshold applies to recipients of housing and community development program assistance for Section 3 covered programs. The requirements of this section also apply to contractors and subcontractors performing work on Section 3 covered project(s) for which the amount of the assistance exceeds \$200,000, and the contract or subcontract exceeds \$100,000. If a recipient receives Section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, then the Section 3 preference requirements apply only to the recipient.

Applicability of Section 3 to an entire project or activity funded with Section 3 assistance. The requirements of this section apply to an entire project or activity that is funded with Section 3 covered assistance, regardless of whether the activity is fully or partially funded with Section 3 covered assistance.

- b. The parties to this Contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or

other impediment that would prevent them from complying with the Part 135 regulations.

- c. The Operating Agency agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Operating Agency's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- d. The Operating Agency agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Operating Agency will not subcontract with any subcontractor where the Operating Agency has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- e. The Operating Agency will certify that any vacant employment positions, including training positions, that are filled (1) after the Operating Agency is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Operating Agency's obligations under 24 CFR Part 135.
- f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

72. CONSTRUCTION/REHABILITATION PROJECTS. The Operating Agency shall submit a request to the County, to conduct a Contract and Labor Compliance File Review within 10 days from completion of construction/rehabilitation activities.

73. PATENT RIGHTS. The Operating Agency must adhere to Federal requirements and regulations relating to patent rights with respect to any discovery or invention which arises or is developed in the course of or under this contract.

74. PHOTOGRAPHS, FOOTAGE, AND OTHER MEDIA MATERIALS. Operating Agency represents and warrants that all photographs, videos, DVD's, footage, magazines, and other media materials provided to the County are either public record or have been legally procured without invading the copyright, ownership, or privacy rights of any individual. Operating Agency further agrees to defend, hold harmless, and indemnify the County from any and all liability, as described in Section 50,

Indemnification, arising from or related to County's use of said photographs, videos, DVD's, footage, magazines, and other media materials.

75. OPERATING AGENCY'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW. The Operating Agency acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Operating Agency understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Operating Agency's place of business. The Operating Agency will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. This poster is available at www.babysafela.org/docs/poster_e.pdf.
76. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW. The Operating Agency shall notify and provide to its employees and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available at www.babysafela.org for printing purposes.
77. OPERATING AGENCY'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. The Operating Agency acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their personal and real property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Operating Agency qualifies for an exemption or exclusion, the Operating Agency warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with the County's Defaulted Tax Program, found at Los Angeles County Ordinance No. 2009-0026 and codified at Los Angeles County Code, Chapter 2.206.
78. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. Failure of the Operating Agency to maintain compliance with the requirements set forth in Section 77, "OPERATING AGENCY'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM" shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Operating Agency to cure such default within 10 days of notice shall be grounds upon which County may suspend or terminate this contract pursuant to the County's Defaulted Property Tax Reduction Program found at Los Angeles County Ordinance No. 2009-0026 and codified at Los Angeles County Code, Chapter 2.206.
79. COMPLIANCE WITH COUNTY'S ZERO TOLERANCE HUMAN TRAFFICKING. Operating Agency acknowledges that the County has established a

Zero Tolerance Trafficking Policy prohibiting the Operating Agency, or subcontractors approved under this contract from engaging in human trafficking.


If the Operating Agency, or a member (s) on the Operating Agency's staff is convicted of a human trafficking offense, the County shall require that the Operating Agency, or member of the Operating Agency's staff be removed immediately from performing services under this contract. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of the Operating Agency's staff pursuant to this section shall not relieve the Operating Agency of its obligation to complete all work in accordance with the terms and conditions of this Contract.

80. CLEAN AIR ACT. The Operating Agency must comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). These terms shall apply to construction contracts in excess of \$100,000 awarded to the Operating Agency, as well as contracts awarded to subcontractors and subconsultants.
81. ENERGY POLICY AND CONSERVATION ACT. The Operating Agency must comply with mandatory standards and policies related to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Pub.L.94A 163, Stat.871).
82. WARRANTY OF AUTHORITY. The undersigned signatory for the Operating Agency covenants, warrants and guarantees that he/she is empowered and authorized to sign this Contract on behalf of Operating Agency in accordance with the terms and conditions stated herein.
83. ENTIRE CONTRACT. This Contract with attachments and any and all Policy Bulletins, which the County may issue from time to time following the date of execution, constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by the Executive Director of the Los Angeles County Development Authority, and the Operating Agency has subscribed the same through its duly authorized officers, on the day, month and year first above written.

COUNTY OF LOS ANGELES

By: 

EMILIO SALAS,
Executive Director
Los Angeles County Development Authority

City of Long Beach
Operating Agency

By: 

Title: City Manager

APPROVED AS TO FORM:


Rodrigo A. Castro-Silva
County Counsel
Of the County of Los Angeles

By: 

BEHNAZ TASHAKORIAN
Principal Deputy County Counsel

APPROVED AS TO PROGRAM:

EMILIO SALAS,
Executive Director
Los Angeles County Development Authority

By: 

Acting Director
Community & Economic Development Division

APPROVED AS TO FORM

May 26, 2021
CHARLES PARKIN, City Attorney

By: 
TAYLOR M. ANDERSON
DEPUTY CITY ATTORNEY

EXHIBIT B
INSURANCE REQUIREMENTS
FOR
PARTICIPATING CITIES

City of Long Beach
2525 Grand Ave 235 Long Beach CA 90815-

No funds will be advanced, reimbursed, or disbursed until all of the insurance requirements set forth herein have been met. There absolutely will be no reimbursement of costs for the default and cure periods.

Exceptions to the insurance requirements as set forth herein, will be granted only on a case by case basis. Prior to the Operating Agency receiving funds, the LACDA will review the activities of the Operating Agency. Those Operating Agencies whose activities present no meaningful exposure to the LACDA and/or the County (as determined solely by the LACDA's Risk Management Administrator) may have certain insurance coverages waived by the LACDA's Risk Management Administrator upon the written request of the Operating Agency and approval from the LACDA's Risk Management Administrator.

The insurance policies are to contain and be endorsed to contain, the provisions set forth herein. All certificates of insurance and endorsements shall carry the following identifier: City of Long Beach

1.0 Insurance

In order for the Operating Agency to meet its obligations and insure its continuance, the Los Angeles County Development Authority ("LACDA"), and the County of Los Angeles ("County"), herein collectively referred to as the "Public Agencies", require that prior to the execution of this Contract, the Operating Agency must provide evidence that all insurance requirements have been met. Without limiting Operating Agency's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Operating Agency shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 9 this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Operating Agency pursuant to this Contract. The LACDA in no way warrants that the Required Insurance is sufficient to protect the Operating Agency for liabilities which may arise from or relate to this Contract.

1.1 Insurance Coverage

1.1.1 Commercial General Liability Insurance

Providing scope of coverage equivalent to ISO policy form CG 00 01, naming The LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents") as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

1.1.2 Automobile Liability Insurance

Providing scope of coverage equivalent to ISO policy form CA 00 01 with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Operating Agency's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

1.1.3 Workers Compensation and Employers' Liability

Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Operating Agency will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization ("PEO"), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the LACDA as the Alternate Employer, and the endorsement form shall be modified to provide that LACDA will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Operating Agency's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

1.2 Additional Unique Insurance Coverage

1.2.1 Sexual Misconduct Liability

Coverage is required when services in relation to this contract involve care or supervision of children, seniors and other vulnerable persons and insurance shall include covering for actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

1.2.2 Professional Liability/Errors and Omissions

Insurance covering Operating Agency's liability arising from or related to this Contract, with limits of not less than \$2 million per claim and \$2 million aggregate. Further, the Operating Agency understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

1.2.3 Property Coverage

Operating Agencies given exclusive use of LACDA owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The LACDA and its Agents shall be named as an Additional Insured and Loss Payee on Operating Agency's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

If the Operating Agency will have possession of, rent, lease, or be loaned LACDA owned real or nonexpendable personal property, the Operating Agency shall be required to insure the property for replacement cost under the Special Form Coverage. The LACDA shall be named on a Lenders Loss Payable Endorsement. Evidence of this shall be provided to the LACDA, prior to execution of this contract. Coverage shall be maintained for the duration of this contract.

The "Basic Form" or "Special Form" property insurance as follows:

A. The "Special Form" perils property insurance coverage shall be provided for both Builders Risk (course of construction) and completed operational property. All builders risk insurance shall provide coverage against theft, vandalism, malicious mischief, collapse, false work, temporary buildings on site, theft and vandalism to construction materials, building materials in transit and debris removal including demolition occasioned by enforcement of any applicable building codes. The amount of the property coverage shall at all times meet or exceed the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Mortgaged Property. There shall not be a "co-insurance" clause and the Operating Agency agrees to waive any co-insurance clause to the full extent described in the insurance policy form. If a co-insurance waiver is not commercially available at reasonable rates, the LACDA may waive this requirement. Said insurance shall be maintained for the duration of this Contract. The LACDA shall be named as loss payees on such policy.

B. If the "Special Form" is not available from the Operating Agency's underwriters due to market conditions or unreasonable costs, or the LACDA determine the "Basic Form" is preferred, the "Basic Form" may be obtained in lieu of the "Special Form." The "Basic Form" insurance coverage shall include, without limitation, insurance against the perils of fire and physical loss of damage including, without duplication of coverage, vandalism, malicious mischief and extended coverage. The amount of the property coverage shall at all times meet or exceed the actual cash value ("ACV") of all existing structures, improvements and fixtures on the Property. Said insurance shall be maintained for the duration of this Contract. The LACDA shall be named as loss payees on such policy.

1.2.4 Crime Coverage

Including, but not limited to, coverage against loss of money, employee theft/forgery, securities, inventory or other property, with limits in amounts not less than indicated if the aggregate budgeted amount for the current fiscal year allotted for the operating agency is less than fifty thousand dollars (\$50,000), the operating agency shall not be required to comply with this section c. if the aggregate budgeted amount for the current fiscal year allotted for the operating agency is greater than or equal to fifty thousand dollars (\$50,000), then the operating agency shall be required to comply with the following requirements in this Section C:

The Operating Agency shall procure and maintain, at its sole cost and expense, a fidelity bond covering each employee of the Operating Agency, whether or not they are compensated. The fidelity bond may be either a primary commercial blanket bond or a blanket position bond written by an insurer licensed by the California Insurance Commissioner. The Operating Agency shall provide thirty (30) days' notice to the LACDA prior to cancellation of the fidelity bond. The fidelity bond shall provide a minimum coverage equivalent to 50% of the cumulative Exhibit A project budget approved for the current fiscal year, not to exceed One Million Dollars (\$1,000,000). If the Operating Agency experiences an increase in funding during the fiscal year, the crime coverage requirement will be reassessed and additional coverage may be required in the sole and absolute discretion of the LACDA. The Operating Agency shall maintain the fidelity bond for the duration of this contract. The fidelity bond may contain a provision for a deductible amount from any loss which, except for such deductible provision, would be recoverable from the insurer. A deductible provision shall not be in excess of ten percent (10%) of the required minimum bond coverage. Any deviation from this fidelity bond section shall require specific written approval by the LACDA. The LACDA reserves the right, at its sole and absolute discretion, to amend at any time the requirements contained in this section C.

1.3 THIS SECTION INTENTIONALLY LEFT BLANK

1.4 Certificate of Insurance Coverage:

1.4.1

Certificate(s) of Insurance Coverage ("Certificate") satisfactory to LACDA, and a copy of an Additional Insured endorsement confirming LACDA and its Agents (defined below) has been given Insured status under the Operating Agency's General Liability policy, shall be delivered to LACDA at the address shown below and provided prior to commencing services under this Contract.

1.4.2

Renewal Certificates shall be provided to LACDA not less than ten (10) days prior to Operating Agency's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Operating Agency and/or Sub-Contractor insurance policies at any time.

1.4.3

Certificates shall identify all required insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Operating Agency identified as the contracting party in this Contract.

1.4.4

Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any LACDA required endorsement forms.

1.4.5

Neither the LACDA's failure to obtain, nor the LACDA's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Operating Agency, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

1.4.6

Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Development Authority
Contracting Division/Section
Contracting Division Address
Attention: Name and Title of Division Contact

1.5 Notices of Injury or Damage or Destruction

The Operating Agency also shall promptly report to LACDA any injury or property damage accident or incident, including any injury to an Operating Agency employee occurring on LACDA property, and any loss, disappearance, destruction, misuse, or theft of LACDA property, monies or securities entrusted to the Operating Agency. The Operating Agency also shall promptly notify LACDA of any third party claim or suit filed against the Operating Agency or any of its sub-contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against the Operating Agency and/or LACDA.

1.6 Additional Insured Status and Scope of Coverage

The LACDA and its Agents shall be provided additional insured status under Operating Agency's General Liability policy with respect to liability arising out of Operating Agency's ongoing and completed operations performed on behalf of the LACDA.

LACDA and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Operating Agency's acts or omissions, whether such liability is attributable to the Operating Agency or to the LACDA. The full policy limits and scope of protection also shall apply to the LACDA and its Agents as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

1.7 Cancellation of or Change to Maintain Insurance

Operating Agency shall provide LACDA with, or Operating Agency's insurance policies shall contain a provision that LACDA shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to LACDA at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the LACDA, upon which the LACDA may suspend or terminate this Contract.

1.8 Failure to Maintain Insurance

Operating Agency 's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which LACDA immediately may withhold payments due to Operating Agency, and/or suspend or terminate this Contract. LACDA, at its sole discretion, may obtain damages from Operating Agency resulting from said breach. Alternatively, the LACDA may purchase the Required Insurance, and without further notice to Operating Agency, deduct the premium cost from sums due to Operating Agency or pursue Operating Agency reimbursement.

1.9 Operating Agency's Insurance Shall Be Primary

Operating Agency's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Operating Agency. Any LACDA maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Operating Agency coverage.

1.10 Insurance Specifics

1.10.1 Waivers of Subrogation

To the fullest extent permitted by law, the Operating Agency hereby waives its rights and its insurer(s)' rights of recovery against LACDA under all the Required Insurance for any loss arising from or relating to this Contract. The Operating Agency shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

1.10.2 Sub-Contractor Insurance Coverage Requirements

Operating Agency shall include all Sub-Contractors as insureds under Operating Agency's own policies, or shall provide LACDA with each Sub-Contractor's separate

evidence of insurance coverage. Operating Agency shall be responsible for verifying that each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the LACDA and Operating Agency as additional insureds on the Sub-Contractor's General Liability policy. Operating Agency shall obtain LACDA's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

1.10.3 Deductibles and Self-Insured Retentions (SIRs)

Operating Agency's policies shall not obligate the LACDA to pay any portion of any Operating Agency deductible or SIR. The LACDA retains the right to require Operating Agency to reduce or eliminate policy deductibles and SIRs as respects the LACDA, or to provide a bond guaranteeing Operating Agency's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

1.10.4 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Operating Agency understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

1.10.5 Application of Excess Liability Coverage

Operating Agency may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

1.10.6 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

1.10.7 Alternative Risk Financing Programs

The LACDA reserves the right to review, and then approve, Operating Agency use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The LACDA and its Agents shall be designated as an Additional Covered Party under any approved program.

1.11 LACDA Review and Approval of Insurance Requirements

The LACDA reserves the right to review and adjust the Required Insurance provisions, conditioned upon LACDA's determination of changes in risk exposures.

The LACDA reserves the right, at its sole and absolute discretion, to amend at any time the provisions of this Exhibit B.