

CONTRACT
31973

THIS CONTRACT ("Contract") is entered into, in duplicate, effective as of July 1, 2010, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on June 22, 2010, by and between CALIFORNIA STATE UNIVERSITY, LONG BEACH, FOUNDATION ON BEHALF OF THE UPWARD BOUND PROGRAM, a California non-profit public Corporation with offices located at 6300 St. University Dr., #332 5500 Atherton Street, Long Beach, CA 90815, ("Contractor") and the CITY OF LONG BEACH, a municipal corporation ("City") and administering entity for Pacific Gateway Workforce Investment Network.



OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1. Recitals: This Contract is made with reference to the following facts and objectives:

1.1 The City submitted an application ("Application") to the Employment Development Department of the State of California (the "State"), for funds to provide meaningful training and employment opportunities for economically disadvantaged, unemployed and underemployed persons consistent with the Workforce Investment Act of 1998 ("WIA") codified as Section 504 of the Rehabilitation Act, 29 U.S.C. 794(d) and all regulations, directives, policies, procedures and amendments issued thereto and/or legislation, regulations, policies, directives, and/or procedures which may replace the Workforce Investment Act; and

1.2 The Application was approved by the State and a Workforce Investment Act subgrant has been executed by and between the State and the City authorizing such programs and providing the funding therefore under Workforce Investment Act Master Subgrant Agreement which has been designated as No. K178665 the ("Prime Contract"); and

1.3 Contractor desires to participate in said program and is qualified by procurement for the reason of experience, preparation, organization, staffing and facilities to provide services;

1 1.4 City is willing to utilize Contractor to provide contract services to
2 support WIA In-School Youth Services.

3 NOW THEREFORE, in consideration of the terms and conditions contained
4 herein, it is mutually agreed by and between the parties hereto as follows:

5 Section 1. DOCUMENT INCORPORATION.

6 The following documents are attached hereto as exhibits and incorporated
7 herein and made a part hereof by this reference as if set forth in full herein:

8 A. The Prime Contract, Exhibit "A", and any extension or continuation
9 thereof or any grant agreement which is the successor thereto which authorizes a training
10 and employment program for the economically disadvantaged, unemployed and
11 underemployed persons, and the documents incorporated therein and attachments
12 thereto, including the assurances and certifications made by the State to the City.

13 B. Contractor's program description, statement of work performed,
14 Contractor's operation plan for participants, program conditions and standards for
15 Contractor's performance under this Contract (collectively, the "Statement of Work")
16 attached hereto as Exhibit "B".

17 C. The Project Budget ("Budget") for the WIA Youth Program services
18 to be provided by Contractor (the "Services") attached hereto as Exhibit "C".

19 D. The Program Planning Summary ("PPS") attached hereto as Exhibit
20 "D".

21 Contractor and City agree to be bound by all the terms, conditions and
22 provisions contained in the Prime Contract, the Application, the Statement of Work,
23 Budget and PPS (collectively, the "Contract Documents").

24 Contractor hereby agrees to assume full responsibility for the performance
25 of the operation, coordination and administration of such program pursuant to all the
26 terms and conditions of Exhibits "B", "C" and "D" to the extent that said documents are
27 applicable to the delivery of services by Contractor hereunder; and the parties hereto
28 agree to perform all duties, obligations and tasks to be performed by each party under

1 the Contract Documents.

2 In the event there is any conflict between the provisions of this Contract and
3 the provisions of the Prime Contract, including the attachments thereto and the
4 documents incorporated therein, as presently worded or amended in the future, the
5 parties agree that the provisions of the Prime Contract shall control.

6 Contractor shall conduct training and employment activities in accordance
7 with the provisions of the Contract Documents.

8 SECTION 2. TERM.

9 The term of this Contract ("Term") shall be deemed to have commenced as
10 of July 1, 2010, and unless sooner terminated pursuant to the provisions hereof, shall
11 terminate on June 30, 2012. Either of the parties hereto shall have the right to terminate
12 this Contract in its entirety at any time during the Term for any or no reason whatsoever
13 by giving fifteen (15) days prior written notice of termination to the other party. City shall
14 have the additional right to cancel any part of this Contract at any time during the Term
15 for any reason whatsoever by giving fifteen (15) days notice of such cancellation to the
16 Contractor.

17 Notwithstanding the foregoing, the City shall have the right to terminate and
18 cancel this Contract without notice, in its sole discretion, if the actions or non-action of
19 Contractor subjects the City to liability, legal obligations or program operation obligations
20 beyond the liability and obligations under the Contract Documents. If this Contract is
21 terminated prior to the expiration of the Term, Contractor shall be reimbursed for all
22 eligible program allowable costs which have been accrued but not paid through the
23 effective date of termination. Contractor agrees to accept such amount, plus all amounts
24 previously paid, as full payment and satisfaction of all obligations of City to Contractor.

25 SECTION 3. AWARD UNDER SPECIAL CONDITIONS.

26 The City may award a contract under special conditions if it determines the
27 Contractor as "high risk" under the following categories:

28 (a) (1) A history of unsatisfactory performance, or (2) Is not financially

1 stable, or (3) Has a management system which does not meet the management
2 standards, or (4) Has not conformed to terms and conditions of previous awards, or (5) Is
3 otherwise not responsible; and if the City determines that an award will be made, special
4 conditions and/or restrictions shall correspond to the high risk condition and shall be
5 included in the award.

6 (b) Special conditions or restrictions may include: (1) Payment on a
7 reimbursement basis; (2) Withholding authority to proceed to the next phase until receipt
8 of evidence of acceptable performance within a given funding period; (3) Requiring
9 additional, more detailed financial reports; (4) Additional project monitoring; (5) Requiring
10 the Contractor to obtain technical or management assistance; or (6) Establishing
11 additional prior approvals.

12 (c) If the City decides to impose such conditions, the City will either include
13 such corrective action in the Statement of Work or notify the Contractor as early as
14 possible, in writing, of: (1) The nature of the special conditions/restrictions; (2) The
15 reason(s) for imposing them; (3) The corrective actions which must be taken before they
16 will be removed and the time allowed for completing the corrective actions and (4) The
17 method of requesting reconsideration of the conditions or restrictions imposed.

18 SECTION 4. PERFORMANCE REVIEW.

19 After each quarter during the Term, the City will conduct a review of
20 Contractor's performance by comparing the Contractor's planned performance and/or
21 contract earning levels with the actual performance and contract earning levels achieved
22 by Contractor. If the Contractor is ten percent (10%) below planned performance and/or
23 contract earning levels at the end of any quarter, the Contractor may be required to
24 implement a corrective action plan. Any such corrective action plan shall be subject to
25 review and approval by the City.

26 Underperformance at the end of the second quarter or any quarter
27 thereafter, shall permit the City to unilaterally cancel this Contract or, in the alternative
28 and at the sole discretion of the City, deobligate funds from this Contract up to the

1 amount of the underexpenditures.

2 SECTION 5. CONTRACT AMOUNT AND PAYMENT.

3 The total amount which shall be payable by City to Contractor for
4 Contractor's allowable services during the Term shall not exceed Ninety Thousand
5 Dollars (\$90,000.00).

6 The City shall, in due course, reimburse the Contractor for the actual,
7 allowable, reasonable and necessary costs and expenses incurred by Contractor in the
8 performance of this Contract which are authorized and approved by Exhibit "C" and are in
9 accordance with and pursuant to the Prime Contract, to the extent that such Prime
10 Contract is applicable to the Contractor's performance hereunder.

11 Payment to the Contractor shall be limited to the amounts specified in
12 Exhibit "C" for the categories, criteria and rates established in said Attachment. The
13 allocation of the total contract amount among the items in the Budget may vary by as
14 much as ten percent (10%) without the approval by Workforce Investment Board's
15 Executive Director ("Executive Director"). Additionally, Contractor may, with the prior
16 written approval of the Executive Director or his designee, make adjustments within and
17 among the categories of expenditures in the Budget in excess of ten percent (10%), and
18 modify the performance to be rendered hereunder as provided in Exhibit "B"; provided,
19 however, that any such adjustment in expenditures shall not result in an increase in the
20 amount of the total contract. The agent or representative of Contractor who signs as the
21 maker of checks or drafts or in any manner authorizes the disbursement of said funds or
22 expenditure of same shall be covered by a blanket fidelity or comprehensive crime bond
23 regarding the handling of said funds in an amount set out in Section 13, paragraph E of
24 this Contract.

25 Contractor shall not charge nor receive compensation under this Contract
26 for any services or expenses unless said services or expenses are directly and
27 exclusively related to the purposes of this Contract, and provided that payment is not also
28 received by Contractor from some other source for said services or expenses.

1 Disbursement of funds received from the State shall be under the direction
2 of the City Manager or his designee and shall be in accordance with the provisions of this
3 Contract and made pursuant to the Prime Contract and any additional procedures,
4 regulations and reporting requirements which are established by the City that do not
5 conflict with applicable procedures, regulations and reporting requirements of the State.

6 All payments to Contractor by the City will be based upon invoices and the
7 necessary supporting documents which the State and the City may require Contractor to
8 submit. The expenditure of all funds shall be accounted for promptly and submitted with
9 the funded "Period of Availability" for the program year. Reimbursement will not be made
10 for claims generated beyond contract end date or ninety (90) days after the contract end
11 date for properly accrued expenditures. Contractor shall keep separate detailed
12 accounts for each expenditure for each component part of this project.

13 Public or private non-profit contractor revenues in excess of costs are
14 considered program income or profits in accordance with Code of Federal Regulations
15 definition of "Income" pursuant to 29 CFR 97.32(2). When authorized, program income
16 may be added to the funds committed to the grant agreement. The program income shall
17 be used for the purposes and under the conditions of the grant agreement or as
18 amended unless the Governor of the State of California requires that such income be
19 turned over to the State.

20 SECTION 6. RECORDS.

21 Records relating to the performance of this Contract shall be kept and
22 maintained by Contractor in accordance with the manner and method prescribed by
23 applicable State regulations and guidelines and City requirements, and will be current,
24 complete and available for purposes of inspection and audit during business hours as
25 deemed necessary upon request by representatives of federal, state and local agencies.

26 Contractor shall provide access to all documents and materials related to
27 this Contract and shall provide any information that the City, or its designee requires in
28 order to monitor and evaluate Contractor's performance hereunder. All such records

1 shall be maintained and accessible for a period of seven (7) years from the expiration or
2 earlier termination of this Contract.

3 SECTION 7. FINANCIAL REPORTS.

4 Contractor shall promptly distribute to the City Manager or his designee
5 copies of all correspondence including, but not limited to, financial, operational and
6 performance reports which Contractor submits to or receives from the State. Contractor
7 shall provide such other reports, documents or information as may be requested or
8 required by the City or the State within three (3) days of written request. Upon expiration
9 or earlier termination of this Contract, and within the time and in the manner prescribed
10 by the City, the Contractor shall perform all necessary close-out procedures required by
11 the State and the City, including preparation of close-out reports and transmittal to the
12 City of all documents in the possession of Contractor which relate to the Conduct of the
13 Program, within the time and in the manner prescribed by the City. Final payment to the
14 Contractor under this Contract will be paid only after the City has determined that
15 Contractor has satisfactorily completed said close-out procedures.

16 If the Contractor is subject to the Single Audit Act (SAA), the Contractor
17 shall include this Contract within the scope of the SAA audit. A copy of the SAA final
18 audit report shall be delivered by Contractor to the City of Long Beach within thirty (30)
19 calendar days after its request and, in any event, no later than six (6) months after the
20 end of the then-current fiscal year of Contractor. In the event the Contractor fails to
21 comply with this requirement, the Contractor shall be liable for any costs incurred by City
22 for a substitute audit or review.

23 SECTION 8. ACCOUNTING PROCEDURES.

24 On a monthly basis, commencing on the last day of the month next
25 succeeding the Effective Date of this Contract, the Contractor will submit an invoice with
26 supporting documentation for payment based upon the cost categories in Attachment "B".
27 These invoices will be due by the tenth (10th) working day after the end of each month.
28 Contractor shall complete the monthly payment requests in the format required by the

1 City.

2 The Contractor will establish separate account numbers within its
3 accounting system to account for the expenditures and revenues of this Contract. The
4 Contractor's accounting system will be in compliance with all applicable procedures and
5 Federal and State authorities having jurisdiction over this Contract, and shall be
6 consistent with the fiscal and accounting procedures, including accruals set forth herein.
7 Without limiting the generality of the foregoing, the Contractor shall adhere to the
8 following fiscal and accounting procedures:

9 A. Maintain a bank account and perform monthly bank reconciliations.

10 1. Deposit all receipts in the bank account promptly and intact.

11 (Do not pay any expense directly out of cash receipts).

12 2. Maintain bank validated copies for every deposit slip in
13 chronological order. Each deposit slip should include sufficient detail to explain
14 the source of the funds being deposited. (This may be done by recording the
15 details on the deposit slip or by attached supporting documentation which may
16 have been received with the receipts).

17 3. Disburse all funds by check, preferably signed by two (2)
18 employees, neither of whom is the bookkeeper or the accounting clerk.

19 B. Designate specific employees to perform each of the following
20 functions:

21 1. Receipt for goods and services provided to Contractor.

22 2. Approve the purchase of goods and services for Contractor.

23 3. Approve employee time sheets.

24 4. Each above function shall be designated to a different
25 employee.

26 C. Maintain documented support for every check written which should
27 include:

28 1. Original invoice from each vendor.

1 2. Indication by signature and date of an authorized employee
2 that the goods or services were received by the Contractor. This may be done on
3 a separate receiving report, a copy of a packing slip or on the invoice itself.

4 3. Indication that the goods or services were approved for
5 purchase by an authorized individual. This should be by signature and date and
6 should appear on the invoice or on the purchase order or purchase requisition, if
7 such is used by the Contractor.

8 D. Maintain a copy of each invoice submitted to the Operations Division
9 with copies of all supporting documents.

10 E. Maintain the following records in an orderly fashion by grant period
11 or Contractor's fiscal year:

- 12 1. Bank statements and bank reconciliations.
- 13 2. Deposit slips and supports.
- 14 3. Checks and supports.
- 15 4. Time sheets or documentation to verify Contractor's labor
16 costs.
- 17 5. Cash receipts and cash disbursement journals.
- 18 6. Requests for reimbursement and supports.
- 19 7. Financial statements.

20 F. Maintain and file all required tax and personnel reports with
21 appropriate agencies.

22 G. Contractor must adhere to all audit requirements as outlined in
23 Contractor's respective OMB Circular, 29 CFR 95, and 29 CFR Part 96, and A 133, 29
24 CFR 97.26 and 29 CFR 95.26 as applicable.

25 All invoices and billings will be considered final and must be submitted
26 within forty-five (45) calendar days from the end of the Term. Resolution of disputed
27 matters must be resubmitted within fifteen (15) calendar days from date mailed to
28 Contractor. City, in its sole discretion, may elect not to pay any invoices or billings

1 submitted after the cut-off date, or if funding is no longer available.

2 SECTION 9. INDEPENDENT CONTRACTOR STATUS.

3 It is distinctly understood that in the performance of this Contract, the
4 Contractor shall at all times be considered a wholly independent contractor and that
5 Contractor's obligations to and authority from the City are solely as are preserved by this
6 Contract. Contractor expressly warrants that it will not, at any time, hold itself out or in
7 any manner represent that Contractor or any of its agents, volunteers, subscribers,
8 members, officers or employees are in any manner the officers, employees or agents of
9 the City or the Pacific Gateway Workforce Investment Network (Network), an
10 unincorporated non-profit association. Contractor shall not have any authority to bind the
11 City or Network at any time or for any purpose. Contractor nor any of Contractor's
12 officers, employees or agents shall have any power or authority as agents or employees
13 of the City or Network and shall not be entitled to any of the rights, privileges or benefits
14 of a City or Network employee.

15 SECTION 10. ASSIGNMENT.

16 Contractor shall not delegate its duties or assign its rights hereunder, either
17 in whole or in part, without the prior written consent of the City.

18 SECTION 11. INDEMNIFICATION AND HOLD HARMLESS.

19 Contractor expressly agrees to defend, protect, indemnify and hold the
20 Network, the City, their respective officers, employees and agents ("Indemnified Parties"),
21 free and harmless from and against any and all claims, damages, expenses, loss or
22 liability of any kind or nature whatsoever growing out of, or resulting from the acts or
23 omissions of Contractor, its officers, agents or employees in the performance of this
24 Contract. Contractor shall, at its own cost, expense and risk, defend all claims or legal
25 actions that may be instituted against either the Indemnified Parties and Contractor shall
26 pay any settlement entered into or satisfy any judgment that may be rendered against
27 either the Indemnified Parties as a result of said acts or omissions of Contractor, its
28 officers, agents or employees in the performance of this Contract.

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SECTION 12. EMPLOYMENT TRAINING ACT CLAUSES.

Contractor shall administer contract within the policies and procedures mandated by the Workforce Investment Act of 1998 and the Network and agrees to comply with the following contract clauses, as applicable, during the duration of the contract period:

1. Compliance with requirements and/or regulations related to patent rights, copyrights, and rights in data;
2. Maintenance of records for 7 years;
3. The Equal Employment Opportunity Act provisions;
4. The Americans with Disabilities Act of 1990;
5. The Contract Work Hours and Safety Standards Act;
6. The Clean Air Act and Environmental Protection Agency regulations;
7. The Energy Policy Conservation Act;
8. The Bryd Anti-Lobbying Amendment;
9. Veteran's Priority Provisions;
10. Whistle Blower Protection;
11. Buy American Requirements.

SECTION 13. INSURANCE.

Concurrent with the execution of this Contract by Contractor, as a condition precedent to the effectiveness of this Contract, and in partial performance of the obligations of indemnity assumed by Contractor under Section 11 above, Contractor shall procure and maintain during the Term at Contractor's expense:

A. Comprehensive General Liability in an amount not less than Two Million Dollars (\$2,000,000.00) combined single limit for each occurrence or Four Million Dollars (\$4,000,000.00) General Aggregate for bodily injury, personal injury and property damage. The Indemnified Parties shall be covered as insureds in respect to liability arising out of activities performed by or on behalf of the Contractor and coverage shall be in a form acceptable to the Risk Manager of the City ("Risk Manager").

1 B. Automobile Liability in an amount not less than Five Hundred
2 Thousand Dollars (\$500,000.00) combined single limit per accident for bodily injury and
3 property damage covering owned, non-owned and hired vehicles.

4 C. Workers' Compensation as required by the Labor Code of the State
5 of California and Employers' Liability Insurance with limits of one Million Dollars
6 (\$1,000,000.00) per occurrence.

7 D. Accidental Medical, Death and Dismemberment Insurance for all
8 participants not entitled to workers' compensation benefits under the provisions of
9 Section 3700 of the Labor Code of the State of California, unless this requirement has
10 been waived in writing by the Risk Manager. Said insurance shall have limits of not less
11 than One Hundred Thousand Dollars (\$100,000.00) Accident Medical and Twenty-Five
12 Thousand Dollars (\$25,000.00) Accidental Death and Dismemberment.

13 E. Blanket Honesty or Comprehensive Crime Bond in an amount of fifty
14 percent (50%) of sums payable under this Contract, or Twenty-Five Thousand Dollars
15 (\$25,000.00), whichever is higher, to safeguard the proper handling of funds by those
16 employee's agents or representatives of the Contractor who sign as the maker of checks
17 or drafts or in any manner authorize the disbursement or expenditure of said funds.

18 Each insurance policy shall be endorsed to provide that coverage shall not
19 be cancelled by either party, reduced in amount or in limits, except after thirty (30) days
20 prior written notice has been given to the City. All such insurance shall be primary and
21 not contributing to any other insurance or self-insurance maintained by the Indemnified
22 Parties.

23 The insurance required hereunder shall be placed with carriers admitted to
24 write insurance in California, or carriers with a rating of or equivalent to A:VIII by A.M.
25 Best Company and may be subject to such self-insurance or deductible as may be
26 approved by the Risk Manager. Any Contractors which Contractor may use in the
27 performance of services under this Contract shall be required to maintain insurance in
28 accordance with the requirements here in Section 13.

1 Contractor shall furnish the City with certificates of insurance and with
2 original endorsements affecting coverage as required above. The certificates and
3 endorsements for each insurance policy shall be signed by a person authorized by that
4 insurer to bind coverage on its behalf. Policies written on a "claims made" basis shall
5 provide for an extended reporting period of not less than One Hundred Eighty (180) days.
6 No claims made policies shall be acceptable to City unless the City Manager determines
7 that no occurrence policy is available in the market for the particular risk being insured.
8 Any modification or waiver of the insurance requirements contained in this Contract shall
9 only be made with the written approval of the Risk Manager in accordance with
10 established city policy.

11 SECTION 14. DRUG-FREE WORKPLACE.

12 Contractor shall comply with Government Code Sections 8350 et seq. and
13 29 CFR Part 98, in matters relating to providing a drug-free workplace including, but not
14 limited to, the following:

15 A. Publishing a statement notifying employees that unlawful
16 manufacture, distribution, dispensation, possession, or use of a controlled substance is
17 prohibited and specifying actions to be taken against employees for violations, as
18 required by Government Code Section 8355(a).

19 B. Establishing a Drug-Free Awareness Program as required by
20 Government Code Section 8355(b), to inform employees about all of the following:

- 21 1. The dangers of drug abuse in the workplace,
- 22 2. The person's or organization's policy of maintaining a drug-
23 free workplace;
- 24 3. Any available counseling, rehabilitation and employee
25 assistance programs, and
- 26 4. Penalties that may be imposed upon employees for drug
27 abuse violations.

28 C. Ensuring that every employee who provides services under this

1 Contract:

- 2 1. Will receive a copy of Contractor's drug-free policy statement,
3 and
4 2. Will agree to abide by the terms of Contractor's statement as
5 a condition of employment on this Contract:

6 Payments due Contractor may be subject to suspension or termination for
7 failure to carry out the requirements of Government Code Sections 8350 et seq. and 29
8 CFR Part 98, Debarment and Suspension; Drug Free Workplace. As provided in
9 Government Code Section 8357, the City shall not be required to ensure that Contractor
10 provides a drug-free workplace.

11 SECTION 15. NON-DISCRIMINATION.

12 In connection with performance of this Contract and as refined by
13 applicable federal laws, rules and regulations, Contractor shall not discriminate in
14 employment or in the performance of this Contract on the basis of race, religion, national
15 origin, color, age, sex, sexual orientation, gender identify, AIDS, HIV status, handicap, or
16 Disability.

17 It is the policy of the City to encourage the participation of Disadvantaged,
18 Minority and Women-Owned Business Enterprises in City's procurement process, and
19 Contractor agrees to use its best efforts to carry out this policy in the award of all
20 approved subcontracts to the fullest extent consistent with the efficient performance of
21 this Contract. Contractor may rely on written representations by Contractors regarding
22 their status. Contractor shall report to City in March and in September or, in the case of
23 short-term agreements, prior to invoicing for final payment, the names of all sub-
24 consultants engaged by Contractor for this Project and information on whether or not they
25 are a Disadvantaged, Minority or Women-Owned Business Enterprise, as defined in
26 Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

27 SECTION 16. CONFIDENTIALITY.

28 Contractor shall keep confidential all financial, operations, and performance

1 records relating to its performance of this Contract ("Data") and shall not disclosed the
2 Data or use the Data directly or indirectly other than in the course of services provided
3 hereunder. The obligation of confidentiality shall continue following expiration or earlier
4 termination of this Contract. In addition, Contractor shall keep confidential all information,
5 whether written or oral, or visual, obtained by any means whatsoever in the course of
6 Contractor's performance hereunder for the same period of time. Contactor shall not
7 disclose Data to any third party, nor use it for Contractor's own benefit or the benefit of
8 others without first obtaining the prior written authorization and consent of the City.

9 All Data and other information, in whatever form or medium, compiled or
10 prepared by Contractor in performing its services or furnished to Contractor by City shall
11 be the property of City and City shall have the unrestricted right to use or disseminate
12 same without payment of further compensation to Contractor. Copies of Contractor's
13 work product may be retained by Contractor for its own records.

14 SECTION 17. BREACH OF CONFIDENTIALITY.

15 Contractor shall not be liable for a breach of confidentiality with respect to
16 Data that:

- 17 (a) Contractor demonstrates Contractor knew prior to the time
18 City disclosed it; or
19 (b) Is or becomes publicly available without breach of this
20 Contract by Contractor; or
21 (c) A third party who has a right to disclose such information does
22 so to Contractor without restrictions on further disclosure; or
23 (d) Must be disclosed pursuant to subpoena, court order, state or
24 federal WIA rules and regulations, federal Department of Labor rules and
25 regulations, or the rules and regulations of any other governmental agency having
26 jurisdiction over WIA administration.

27 SECTION 18. NOTICES.

28 All notices required or given pursuant to the provisions hereof may be

1 served either by: (1) enclosing the same in a sealed envelope addressed to the party
2 intended to receive the same at the address indicated herein and deposited postage
3 prepaid, in the U.S. Postal Service as certified mail, return receipt requested, or (2)
4 personal service. Such notices shall be effective on the date personal service is effected
5 or the date of the signature on the return receipt. For the purposes hereof, the address of
6 the City and the proper party to receive any such notices on its behalf is the City
7 Manager, City Hall, 333 West Ocean Boulevard, Long Beach, California, 90802; and the
8 Contractor's address for service of any such notices shall be 5500 Atherton Street, Long
9 Beach, CA 90815, attn: Phillip Humphreys, Telephone (562) 985-7645, Fax No. (562)
10 596-1406.

11 SECTION 19. CONTRACT ADMINISTRATION.

12 The City Manager, or designee, is authorized and directed, for and on
13 behalf of the City, to administer this Contract and all related matters, and any decision of
14 the City Manager, or his designee, in connection herewith shall be final.

15 SECTION 20. CORPORATE STATUS.

16 If the Contractor is a corporation, Contractor shall, as a condition precedent
17 to the effectiveness of this Contract, submit to City proof of good standing of the
18 corporate status.

19 SECTION 21. ENTIRE AGREEMENT.

20 This document fully expresses all understandings of the parties concerning
21 all matters covered and shall constitute the total Agreement. Except for the adjustments
22 of Exhibits "B" and "C" as provided in Section 5 hereof, no addition to or alteration of the
23 terms of this Contract whether by written or oral understanding of the parties, their
24 officers, agents or employees shall be valid unless made in writing and formally adopted
25 in the same manner as this Contract.

26 SECTION 22. CAPTIONS AND ORGANIZATION.

27 The various headings and numbers herein and the grouping of the
28 provisions of this Contract into separate Sections, paragraphs and clauses are for the

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 purpose of convenience only and shall not be considered a part hereof, and shall have no
2 effect on the construction or interpretation of any part of this contract.

3 SECTION 23. TAX IDENTIFICATION NUMBER.

4 Contractor's Tax Identification Number is [REDACTED]

5 SECTION 24. AUTHORIZATION TO EXECUTE.

6 Contractor warrants and affirms to City that any and all persons signing this
7 Contract are authorized and empowered to so sign and that the execution of this Contract
8 by such person or persons does bind Contractor to all terms, covenants and conditions of
9 this Contract.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed with all the formalities required by law on the respective dates set forth opposite their signatures.

FOUNDATION CALIFORNIA STATE UNIVERSITY, LONG BEACH, ON BEHALF OF THE UPWARD BOUND PROGRAM, a California non-profit Public Corporation

Dated: 12 15, 2010

By [Signature]
Sandra A. Shereman
Title Senior Director Sponsored Programs

Dated: _____, 2010

By _____
Title _____
"Contractor"

CITY OF LONG BEACH, a municipal corporation
Assistant City Manager

Dated: 1.12, 2011

By [Signature]
City Manager
"City"

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

The foregoing Contract is hereby approved as to form this 3rd day of January, 2011.

ROBERT E. SHANNON, City Attorney

By [Signature]
Deputy

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

Exhibit A

CSG

Dist. WIA 7/9/10

WIA SUBGRANT AGREEMENT

REGISTRATION NO: K178665
MODIFICATION NO: NEW
SUBGRANTEE CODE: LBC

CITY OF LONG BEACH

SUBGRANTOR: State of California
Employment Development Dept.
Workforce Services Division
P.O. Box 826880, MIC 69
Sacramento, CA 94280-0001

SUBGRANTEE: CITY OF LONG BEACH
3447 ATLANTIC AVENUE
LONG BEACH, CA 90807
GOVERNMENTAL ENTITY: YES

This Subgrant Agreement is entered into by and between the State of California, Employment Development Department, hereinafter the Subgrantor, and the CITY OF LONG BEACH, hereinafter the Subgrantee. The Subgrantee agrees to operate a program in accordance with the provisions of this Subgrant and to have an approved WIA Local Plan for the above named Subgrantor filed with the Subgrantor pursuant to the Workforce Investment Act (WIA). This modification consists of this sheet and those of the following exhibits, which are attached hereto and by this reference made a part hereof:

Funding Detail Chart
General Provisions and standards of Conduct
Title I-Y (WIA TITLE I YOUTH FORMULA)

Exhibit AA, pages 1 through 1
Exhibit BB, pages 1 through 14
Exhibit DD, pages 1 through 1

ALLOCATION(s):
The Subgrantor agrees to reimburse the Subgrantee not to exceed the amount listed hereinafter "TOTAL":

PRIOR AMOUNT:	\$0.00
INCREASE/DECREASE:	\$2,108,695.00
TOTAL:	\$2,108,695.00

TERMS OF AGREEMENT:
From 04/01/2010 to 06/30/2012

Terms of Exhibits are as designated on each exhibit

PURPOSE: To initiate the PY 2010-11 WIA subgrant and incorporate WIA Youth formula funding under GC 301.

APPROVED FOR SUBGRANTOR (EDD) (By Signature)

APPROVED FOR SUBGRANTEE (By Signature)

Michael Vashenk

Patrick H. West

Name and Title
MICHAEL VASHENK
CHIEF
WORKFORCE SERVICES DIVISION

Name and Title
Patrick H. West
City Manager

I hereby certify that to my knowledge, the budgeted funds are available for the period and purpose of expenditures as stated herein:

This Agreement does not fall within the meaning of Section 10295 of Chapter 2 of Part 2 of Division 2 of the Public Contract Code of the State of California and pursuant to 58 OPS Cal. Atty. Gen. 586, is exempt from review or approval of the Dept. of General Services and the Dept. of Finance:

Margaret Tetterton
Signature of EDD Accounting Officer

Karen [Signature]
Signature of EDD Contract Officer

APPROVED AS TO FORM

Budget item: 7100 Fund: 0869 Budgetary Attachment: YES
Chapter 001 Statutes: 2009 FY: 09/10

June 17, 2010
ROBERT E. SHANNON, City Attorney
By Gary J. Anderson
GARY J. ANDERSON
DEPUTY CITY ATTORNEY

WIA
SUBGRANT AGREEMENT
FUNDING DETAIL SHEET

Exhibit AA
Page 1 of 1

SUBGRANTEE NAME: CITY OF LONG BEACH

SUBGRANT NO: K178665
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I. ALLOCATION

FUNDING SOURCE	PRIOR AMOUNT	INCREASE	DECREASE	ADJUSTED ALLOCATION
TITLE I-Y: YOUTH				
9610 WIA TITLE I YOUTH FORMULA (301) : 04/01/2010 to 06/30/2012 Prog/Element 61/ 00 Ref 101 Fed Catlg 417259	\$0.00	\$2,108,695.00	\$0.00	\$2,108,695.00
TOTAL TITLE I-Y	\$0.00	\$2,108,695.00	\$0.00	\$2,108,695.00
GRAND TOTAL:	\$0.00	\$2,108,695.00	\$0.00	\$2,108,695.00

All references are to the Workforce Investment Act of 1998, Title I, unless otherwise noted. For modifications purposes only. All other terms and conditions of this exhibit not included herein remain unchanged.

WIA SUBGRANT AGREEMENT

Subgrantee: CITY OF LONG BEACH

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1. Compliance

In performance of this subgrant agreement, Subgrantee will fully comply with:

- a). The provisions of the Workforce Investment Act (WIA) and all regulations, legislation, directives, policies, procedures and amendments issued pursuant thereto.
- b). All State legislation and regulations to the extent permitted by federal law and all policies, directives and/or procedures, which implement the WIA.
- c). The provisions of Public Law 107-288, Jobs for Veterans Act, as the law applies to Department of Labor (DOL) job training programs
- d). Subgrantee will ensure diligence in managing programs under this subgrant agreement, including performing appropriate monitoring activities and taking prompt corrective action against known violations of the WIA. Subgrantee agrees to conform to the provisions of the WIA and the contract requirements as referenced in 29 CFR Part 95, Appendix A and 29 CFR, Part 97.36(i)(1-13).

This subgrant agreement contains the entire agreement of the parties and supersedes all negotiations, verbal or otherwise and any other agreement between the parties hereto. This subgrant agreement is not intended to and will not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association between the Subgrantor and the Subgrantee. Subgrantee represents and warrants it is free to enter into and fully perform this subgrant agreement.

2. Certification/Assurances

Except as otherwise indicated, the following certifications apply to all Subgrantee's.

- a). Corporate Registration: The Subgrantee, if it is a corporation, certifies it is registered with the Secretary of State of the State of California.
- b). The Subgrantee agrees to comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA. (42 U.S.C.12101 et seq.
- c). Sectarian Activities: The Subgrantee certifies that this subgrant agreement does not provide for the advancement or aid to any religious sect, church or creed, or sectarian purpose nor does it help to support or sustain any school, college, university, hospital or other institution controlled by any religious creed, church, or sectarian denomination whatsoever, as specified by Article XVI, Section 5, of the Constitution, regarding separation of church and state.
- d). National Labor Relations Board: The Subgrantee (if not a public entity), by signing this subgrant agreement, does swear under penalty of perjury, that no more than one final unappeasable finding of contempt of court by a federal court has been issued against the Subgrantee within the immediately preceding two-year period because of Subgrantee's failure to comply with an order of a federal court, which orders the Subgrantee to comply with an order of the National Labor Relations Board (PCC10296).
- e). Prior Findings: Subgrantee, by signing this subgrant agreement, does swear under penalty of perjury, that it has not failed to satisfy any major condition in a current or previous subgrant agreement with the DOL or the State of California and has not failed to satisfy conditions relating to the resolution of a final finding and determination, including repayment of debts.
- f). Drug-Free Workplace Certification: By signing this subgrant agreement the Subgrantee hereby certifies under penalty of perjury under the laws of the State of California that the Subgrantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - (1). Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - (2). Establish a Drug-Free Awareness Program as required to inform employees about:
 - the dangers of drug abuse in the workplace;
 - the person's or organization's policy of maintaining a drug-free workplace;
 - any available counseling, rehabilitation and employee assistance programs; and,
 - penalties that may be imposed upon employees for drug abuse violations.
 - (3). Every employee who works on this subgrant agreement will:
 - receive a copy of the company's drug-free policy statement; and,
 - agree to abide by the terms of the company's statement as a condition of employment on the subgrant/contract.
- g). Child Support Compliance Act: In accordance with the Child Support Compliance Act, the

WIA SUBGRANT AGREEMENT

Subgrantee: CITY OF LONG BEACH

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Subgrantee recognizes and acknowledges:

- (1). The importance of child and family support obligations and shall fully comply with applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and that to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Employee Registry maintained by the California Employment Development Department (EDD).
- h). Debarment and Suspension Certification: By signing this subgrant agreement, the Subgrantee hereby certifies under penalty of perjury under the laws of the State of California that the Subgrantee will comply with regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98.510, that the prospective participant (i.e., grantee), to the best of its knowledge and belief, that it and its principals:
- (1). Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transitions by any federal department or agency.
 - (2). Have not within a three-year period preceding this subgrant agreement been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property.
 - (3). Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated in Section 2 of this certification.
 - (4). Have not within a three year period preceding this subgrant agreement had one or more public transactions (federal, state or local) terminated for cause of default.

Where the Subgrantee is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this agreement.

- i). Lobbying Restrictions: By signing this subgrant agreement the Subgrantee hereby assures and certifies to the lobbying restrictions which are codified in the DOL regulations at 29 CFR Part 93.
 - (1). No federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this federal contract, grant loan, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - (2). If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with this subgrant agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.
 - (3). The undersigned shall require that the language of the lobbying restrictions be included in the award documents for subgrant agreement transactions over \$100,000 (per OMB) at all tiers (including subgrant agreements, contracts and subcontracts, under grants, loan, or cooperative agreements), and that all subrecipients shall certify and disclose accordingly.
 - (4). This certification is a material representation of fact upon which reliance is placed when this transaction is executed. Submission of the Lobbying Certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and 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 failure.

j). Priority Hiring Considerations:

If this subgrant includes services in excess of \$200,000, the Subgrantee shall give priority consideration in filling vacancies in positions funded by the subgrant to qualified recipients of aid under Welfare and Institutions Section Code 11200 in accordance with Public Contract Code 10353.

k). Sweatfree Code of Conduct:

- 1). All Subgrantees contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other

than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Subgrantee further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

- 2). The Subgrantee agrees to cooperate fully in providing reasonable access to the subgrantees' records, documents, agents or employees, or premises if reasonably required by authorized officials of the Subgrantor, the Department of Industrial Relations, or the Department of Justice to determine the subgrantees' compliance with the requirements under paragraph a of the Sweatfree Code of Conduct.
- 1). Unenforceable Provision: In the event that any provision of this subgrant agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this subgrant agreement have force and effect and shall not be affected hereby.
- m). Nondiscrimination Clause
- 1). The conduct of the parties to this subgrant agreement will be in accordance with Title VI of the Civil Rights Act of 1964, and the Rules and Regulations promulgated there under and the provisions of WIA, Section 188.
- (a). As a condition to the award of financial assistance from the Department of Labor under Title I of WIA, the grant applicant assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:
- Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I - financially assisted program or activity;
- Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, and national origin;
- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;
- The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and
- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs.
- The grant applicant also assures that it will comply with 29 CFR part 37 and all other regulations implementing the laws listed above. This assurance applies to the grant applicant's operation of the WIA Title I-financially assisted program or activity, and to all agreements that grant applicant makes to carry out the WIA Title I-financially assisted program or activity. The grant applicant understands that the United States has the right to seek judicial enforcement of this assurance.
- (b). This Subgrantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the subgrant agreement.
- (c). This Subgrantee agrees to conform to nondiscrimination provisions of the WIA and other federal nondiscrimination requirements referenced in 29 CFR, Part 37.
- n). Indemnification:
- 1). The following provision applies only if the Subgrantee is a governmental entity:
- Pursuant to the provision of Section 895.4 of the California Government Code, each party agrees to indemnify and hold the other party harmless from all liability for damage to persons or property arising out of or resulting from acts or omissions of the indemnifying party.
- 2). The following provision applies only if the Subgrantee is a non-governmental entity:
- The Subgrantee agrees to the extent permitted by law, to indemnify, defend and save harmless the Subgrantor, its officers, agents and employees from any and all claims and

losses accruing or resulting to any and all contractors, subcontractors, materials persons, laborers and any other persons, firms or corporations, furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement, and from any and all claims and losses accruing or resulting to any persons, firms or corporations which may be injured or damaged by the Subgrantee in the performance of this subgrant agreement.

Failure to comply with all requirements of the certifications in Section 2 may result in suspension of payment under this subgrant agreement or termination of this subgrant agreement or both, and the Subgrantee may be ineligible for award of future state subgrant agreements/contracts if the department determines that any of the following has occurred: (1) false information on the certifications, or (2) violation of the terms of the certifications by failing to carry out the requirements as noted above.

o). Salary and Bonus Limitations:

In compliance with Public Law 109-234, none of the funds appropriated in Public Law 109-149 or prior Acts under the heading "Employment and Training" that are available for expenditure on or after June 15, 2006, shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided for under section 101 of Public Law 109-149. This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the States, the compensation levels for programs involved including Employment and Training Administration programs. See Training and Employment Guidance Letter number 5-06 for further clarification.

The incurrence of costs and receiving reimbursement for these costs under this award certifies that your organization has read the above special condition and is in compliance.

p). Clean Air and Water Act:

For subgrants in excess of \$100,000, compliance 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 the U.S. Environmental Protection Agency regulations (40 CFR 15, revised as of July 1, 1989).

3. Standards of Conduct

The following standards apply to all Subgrantees.

- a). General Assurance: Every reasonable course of action will be taken by the Subgrantee in order to maintain the integrity of this expenditure of public funds and to avoid favoritism and questionable or improper conduct. This subgrant agreement will be administered in an impartial manner, free from efforts to gain personal, financial or political gain. Subgrantee agrees to conform to the nondiscrimination requirements as referenced in WIA, Section 188.
- b). Avoidance of Conflict of Economic Interest: An executive or employee of the Subgrantee, an elected official in the area or a member of the Local Board, will not solicit or accept money or any other consideration from a third person, for the performance of an act reimbursed in whole or part by the Subgrantee or Subgrantor: Supplies, materials, equipment or services purchased with subgrant agreement funds will be used solely for purposes allowed under this subgrant agreement. No member of the Local Board will cast a vote on the provision of services by that member (or any organization, which that member represents) or vote on any matter which would provide direct financial benefit to that member (or immediate family of the member) or any business or organization which the member directly represents.

4. Coordination

Subgrantee will, to the maximum extent feasible, coordinate all programs and activities supported under this part with other programs under the WIA, including the Wagner-Peyser Act, Title 38 of the United States Code, and other employment and training programs at the state and local level.

Subgrantee will consult with the appropriate labor organizations and/or employer representatives in the design, operation or modification of the programs under this subgrant agreement.

5. Subcontracting

- a). Any of the work or services specified in this subgrant agreement which will be performed by other than by the Subgrantee will be evidenced by a written agreement specifying the terms and conditions of such performance.
- b). The Subgrantee will maintain and adhere to an appropriate system, consistent with federal,

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state and local law, for the award and monitoring of contracts which contain acceptable standards for insuring accountability.

- c). The system for awarding contracts will contain safeguards to insure that the Subgrantee does not contract with any entity whose officers have been convicted of fraud or misappropriation of funds within the last two years.

6. Insurance

Except for city and county governmental entities, Subgrantees must provide the Subgrantor evidence of the coverage specified in a, b, c and d below. The evidence of coverage shall include the registration number of the subgrant agreement for identification purposes.

- a). Subgrantee will obtain a fidelity bond in an amount of not less than _____, prior to the receipt of funds under this subgrant agreement. If the bond is canceled or reduced, Subgrantee will immediately so notify the Subgrantor. In the event the bond is canceled or revised, the Subgrantor will make no further disbursements until it is assured that adequate coverage has been obtained.
- b). Subgrantee will provide general liability insurance with a combined limit of \$1,000,000 or public liability and property damage coverage with a combined limit of not less than \$1,000,000.
- c). Subgrantee will provide broad form automobile liability coverage with limits as set forth in (b) above, which applies to both owned/leased and non-owned automobiles used by the Subgrantee or its agents in performance of this subgrant agreement, or, in the event that the Subgrantee will not utilize owned/leased automobiles but intends to require employees, trainees or other agents to utilize their own automobiles in performance of this subgrant agreement, Subgrantee will secure and maintain on file from all such employees, trainees or agents a self-certification of automobile insurance coverage.
- d). Subgrantee will provide Worker's Compensation Insurance, which complies with provisions of the California Labor Code, covering all employees of the Subgrantee and all participants enrolled in work experience programs. Medical and Accident Insurance will be carried for those participants not qualifying as "employee" (Section 3350, et seq. of the California Labor Code) for Worker's Compensation.
- e). The Subgrantor will be named as "Certificate Holder" of policies secured in compliance with paragraphs a-d above and will be provided certificates of insurance or insurance company "binders" prior to any disbursement of funds under this subgrant agreement, verifying the insurance requirements have been complied with. The coverage noted in b and c above must contain the following clauses:
- (1). Insurance coverage will not be canceled or changed unless 30 days prior to the effective date of cancellation or change written notice is sent by the Subgrantee to:

Employment Development Department
 WIA - Financial Management Unit
 P.O. Box 826880, MIC 69
 Sacramento, CA 94280-0001
 - (2). State of California, its officers, agents, employees and servants are included as additional insured, but only insofar as the operations under this subgrant agreement are concerned.
 - (3). The State of California is not responsible for payment of premiums or assessments on this policy

7. Resolution

A county, city, district or other local public body must provide the state with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of this subgrant agreement. Preferably resolutions should authorize a designated position rather than a named individual.

8. Funding

It is mutually understood between the parties that this subgrant agreement may have been written before ascertaining the availability of congressional and legislative appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the subgrant agreement was executed after that determination was made.

This subgrant agreement is valid and enforceable only if (1) sufficient funds are made available by the State Budget Act of the appropriate state fiscal years covered by this subgrant agreement for the purposes of this program and; (2) sufficient funds available to the state by the United States Government for the fiscal years covered by this subgrant agreement for the purposes of this program. In addition, this subgrant agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress and Legislature or any statute enacted by the

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Subgrantee: CITY OF LONG BEACH

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Congress and Legislature which may affect the provisions, terms, or funding of this subgrant agreement in any manner.

- a). At the expiration of the terms of this subgrant agreement or upon termination prior to the expiration of this subgrant agreement, funds not obligated for the purpose of this subgrant agreement will be immediately remitted to the Subgrantor, and no longer available to the Subgrantee.
- b). The Subgrantor retains the right to suspend financial assistance, in whole or in part, to protect the integrity of the funds or to ensure proper operation of the program, providing the Subgrantee is given prompt notice and the opportunity for an informal review of the Subgrantor's decision. The Chief Deputy Director or his designee will perform this informal review and will issue the final administrative decision within 60 days of receiving the written request for review. Failure on the part of the Subgrantee or a Subcontractor of the Subgrantee to comply with the provisions of this subgrant agreement, or with the WIA or regulations, when such failure involves fraud or misappropriation of funds, may result in immediate withholding of funds.
- c). The local Chief Elected Official (CEO) of a unit of general local government designated as a Local Workforce Investment Area (LWIA) shall be liable to the EDD for all funds not expended in accordance with WIA, and shall return to the EDD all of those funds. If there is more than one unit of general local government in a LWIA, the CEO(s) will be the individual(s) designated under an agreement executed by the CEO(s) of the local units of government. The CEO(s) designated under the agreement shall be liable to the EDD for all funds not expended in accordance with the WIA, and shall return to the EDD all of those funds.

9. Accounting and Cash Management

- a). Subgrantee will comply with controls, record keeping and fund accounting procedure requirements of WIA, federal and state regulations and directives to ensure the proper disbursement of, and accounting for, program funds paid to the Subgrantee and disbursed by the Subgrantee, under this subgrant agreement.
- b). Subgrantee will submit requests for cash to coincide with immediate cash needs and assure that no excess cash is on deposit in their accounts or the accounts of any sub-contracting service provider in accordance with procedures established by the Subgrantor. Failure to adhere to these provisions may result in suspending cash draw down privileges and providing funds through a reimbursement process.
- c). The Subgrantor retains the authority to adjust specific amounts of cash requested if the Subgrantor's records and subsequent verification with the Subgrantee indicate that the Subgrantee has an excessive amount of cash in its account.
- d). Income (including interest income) generated as a result of the receipt of WIA activities, will be utilized in accordance with policy and procedures established by the Subgrantor. Subgrantee will account for any such generated income separately.
- e). Subgrantee shall not be required to maintain a separate bank account but shall separately account for WIA funds on deposit. All funding under this subgrant agreement, will be made by check or wire transfer payable to the Subgrantee for deposit in Subgrantee's bank account or city and county governmental bank accounts. To provide for the necessary and proper internal controls, funds should be withdrawn and disbursed by no less than two representatives of the Subgrantee. The Subgrantor will have a lien upon any balance of WIA funds in these accounts, which will take priority over all other liens or claims.

10. Amendments

This subgrant agreement may be unilaterally modified by the Subgrantor under the following circumstances:

- a). There is an increase or decrease in federal or state funding levels.
- b). A modification to the Subgrant is required in order to implement an adjustment to a Subgrantee's plan.
- c). Funds awarded to the Subgrantee have not been expended in accordance with the schedule included in the approved Subgrantee's plan. After consultation with the Subgrantee, the Subgrantor has determined that funds will not be spent in a timely manner, and such funds are for that reason to the extent permitted by and in a manner consistent with state and federal law, regulations and policies, reverting to the Subgrantor.
- d). There is a change in state and federal law or regulation requiring a change in the provisions of this subgrant agreement.
- e). An amendment is required to change the Subgrantees' name as listed on this subgrant agreement. Upon receipt of legal documentation of the name change the state will process the amendment. Payment of invoices presented with a new name cannot be paid prior to

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approval of said amendment.

Except as provided above, this subgrant agreement may be amended only in writing by the mutual agreement of both parties.

11. Reporting

Subgrantee will compile and submit reports of activities, expenditures, status of cash and closeout information by the specified dates as prescribed by the Subgrantor. All expenditure reports must be submitted upon the accrual basis of accounting. Failure to adhere to the reporting requirements of this agreement will result in funds not being released.

12. Termination

This subgrant agreement may be terminated in whole or in part for either of the two following circumstances:

- a). Termination for Convenience - Either the Subgrantor or the Subgrantee may request a termination, in whole or in part, for convenience. The Subgrantee will give a ninety- (90) calendar-day advance notice in writing to the Subgrantor. The Subgrantor will give a ninety (90) calendar-day advance notice in writing to the Subgrantee.
- b). Termination for Cause - The Subgrantor may terminate this subgrant agreement in whole or in part when it has determined that the Subgrantee has substantially violated a specific provision of the WIA regulations or implementing state legislation and corrective action has not been taken.
 - (1). All notices of termination must be in writing and be delivered personally or by deposit in the U. S. Mail, postage prepaid, "Certified Mail-Return Receipt Requested", and will be deemed to have been given at the time of personal delivery or of the date of postmark by the U. S. Postal Service.

Notices to the Subgrantee will be addressed to:

Bryan S. Rogers
Executive Director
Pacific Gateway Workforce Investment Network
3447 Atlantic Avenue
Long Beach, CA 90807

Notices to the Subgrantor will be addressed to:

Employment Development Department
Workforce Services Division
Financial Management Unit
P.O. Box 826880, MIC 69
Sacramento, CA 94280-0001

13. Records

- a). If participants are served under this subgrant agreement, the Subgrantee will establish a participant data system as prescribed by the Subgrantor.
- b). Subgrantee will retain all records pertinent to this subgrant agreement for a period of three years from the date of final payment of this subgrant agreement. If, at the end of three years, there is litigation or an audit involving those records, the Subgrantee will retain the records until the resolution of such litigation or audit.
Refer to 29 CFR, Part 97.42(b)(2) or 29 CFR, Part 95.53(b)(1).
- c). The Subgrantor and/or the U. S. DOL, or their designee (refer to 29 CFR, Part 95.48(d) or 29 CFR Part 97.36(i)(10)) will have access to and right to examine, monitor and audit all records, documents, conditions and activities related to programs funded by this subgrant agreement. For purposes of this section, "access to" means that the Subgrantee shall at all times maintain within the State of California a complete set of records and documents related to programs funded by this agreement. The Subgrantee shall comply with this requirement regardless of whether it ceases to operate or maintain a presence within the State of California before the expiration of the subgrant. Subgrantee's performance under the terms and conditions herein specified will be subject to an evaluation by the Subgrantor of the adequacy of the services performed, timeliness of response and a general impression of the competency of the firm and its staff.

14. Audits

- a). The Subgrantee will maintain and make available to auditors, at all levels, accounting and program records including supporting source documentation and cooperate with all auditors. All governmental and non-profit organizations must follow the audit requirements of OMB (single audit or program-specific audit requirement) Circular A-133 (29 CFR 97.26 and 29 CFR 95.26).

- b). The Subgrantee and/or auditors performing monitoring or audits of the Subgrantee or its sub-contracting service providers will immediately report to the Subgrantor any incidents of fraud, abuse or other criminal activity in relation to this subgrant agreement, the WIA, or its regulations.

15. Disallowed Costs

Except to the extent that the state determines it will assume liability, the Subgrantee will be liable for and will repay, to the Subgrantor, any amounts expended under this subgrant agreement found not to be in accordance with WIA including, but not limited to, disallowed costs. Such repayment will be from funds (Non-Federal), other than those received under the WIA.

16. Conflicts

- a). Subgrantee will cooperate in the resolution of any conflict with the U. S. DOL that may occur from the activities funded under this agreement.
- b). In the event of a dispute between the Subgrantor and the Subgrantee over any part of this subgrant agreement, the dispute may be submitted to non-binding arbitration upon the consent of both the Subgrantor and the Subgrantee. An election for arbitration pursuant to this provision will not preclude either party from pursuing any remedy for relief otherwise available.

17. Grievances and Complaint System

Subgrantee will establish and maintain a grievance and complaint procedure in compliance with the WIA, federal regulations and state statutes, regulations and policy.

18. Property

All property, whether finished or unfinished documents, data, studies and reports prepared or purchased by the Subgrantee under this subgrant agreement, will be disposed of in accordance with the direction of the Subgrantor. In addition, any tools and/or equipment furnished to the Subgrantee by the Subgrantor and/or purchased by the Subgrantee with funds pursuant to this subgrant agreement will be limited to use within the activities outlined in this subgrant agreement and will remain the property of the United States Government and/or the Subgrantor. Upon termination of this subgrant agreement, Subgrantee will immediately return such tools and/or equipment to the Subgrantor or dispose of them in accordance with the direction of the Subgrantor.

19. Intellectual Property Provisions

a). Federal Funding

In any subgrant funded in whole or in part by the federal government, Subgrantor may acquire and maintain the Intellectual Property rights, title, and ownership, which result directly or indirectly from the subgrant, except as provided in 37 Code of Federal Regulations part 401.14. However, pursuant to 29 CFR section 97.34 the federal government shall have a royalty-free, non-exclusive, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

b). Ownership

- (1). Except where Subgrantor has agreed in a signed writing to accept a license, Subgrantor shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all intellectual property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Subgrantee or Subgrantor and which result directly or indirectly from this subgrant agreement.
- (2). For the purposes of this subgrant agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will, any data or information maintained, collected or stored in the ordinary course of business by Subgrantor, and all other legal rights protecting intangible proprietary information as may exist now and/or hereafter come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.

- (a). For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they

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

- (3). In the performance of this subgrant agreement, Subgrantee may exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this subgrant agreement. In addition, under this subgrant agreement, Subgrantee may access and utilize certain of Subgrantor's intellectual property in existence prior to the effective date of this subgrant agreement. Except as otherwise set forth herein, Subgrantee shall not use any of Subgrantor's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of Subgrantor. Except as otherwise set forth herein, neither the Subgrantee nor Subgrantor shall give any ownership interest in or rights to its Intellectual Property to the other Party. IF, during the term of this subgrant agreement, Subgrantee accesses any third-party Intellectual Property that is licensed to Subgrantor. Subgrantee agrees to abide by all license and confidentiality restrictions applicable to Subgrantor in the third-party's license agreement.
- (4). Subgrantee agrees to cooperate with Subgrantor in establishing or maintaining Subgrantor's exclusive rights in the Intellectual Property, and in assuring Subgrantor's sole rights against third parties with respect to the Intellectual Property. If the Subgrantee enters into any agreements or subcontracts with other parties in order to perform this subgrant agreement, Subgrantee shall require the terms of the agreement(s) to include all Intellectual Property provisions of paragraph nineteen a) through nineteen i). Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to Subgrantor all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, subgrantee or subgrantor and which result directly or indirectly from this subgrant agreement or any subcontract.
- (5). Pursuant to paragraph nineteen (b) (4) of the Intellectual Property Provisions in Exhibit BB to this subgrant agreement, the requirement for the Subgrantee to include all Intellectual Property Provisions of paragraph nineteen a) through nineteen i) of the Intellectual Property Provisions in all agreements and subcontracts it enters into with other parties does not apply to subgrant agreements or subcontracts that are for customized and on-the-job training as authorized under 20 CFR 663.700-730.
- (6). Subgrantee further agrees to assist and cooperate with Subgrantor in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce Subgrantor's Intellectual Property rights and interests.

c). Retained Rights / License Rights

- (1). Except for Intellectual Property made, conceived, derived from, or reduced to practice by Subgrantee or Subgrantor and which result directly or indirectly from this subgrant agreement, Subgrantee shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this subgrant agreement. Subgrantee hereby grants to Subgrantor, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose of Subgrantee's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this subgrant, unless Subgrantee assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2). Nothing in this provision shall restrict, limit, or otherwise prevent Subgrantee from using any ideas, concepts, know-how, methodology or techniques related to its performance under this subgrant agreement, provided that Subgrantee's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of Subgrantor or third party, or result in a breach or default of any provisions of paragraph nineteen a) through nineteen i) or result in a breach of any provisions of law relating to confidentiality.

d). Copyright

- (1) Subgrantee agrees that for purposes of copyright law, all works (as defined in Ownership, paragraph nineteen (b) (2) (a) of authorship made by or on behalf of

Subgrantee in connection with Subgrantee's performance of this subgrant agreement shall be deemed "works made for hire." Subgrantee further agrees that the work of each person utilized by Subgrantee in connection with the performance of this subgrant agreement will be a "work made for hire," whether that person is an employee of Subgrantee or that person has entered into an agreement with Subgrantee to perform the work. Subgrantee shall enter into a written agreement with any such person that: (i) all work performed for Subgrantee shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to Subgrantee to any work product made, conceived, derived from or reduced to practice by Subgrantee or Subgrantor and which result directly or indirectly from this subgrant agreement. Refer to 29 CFR, Part 95, Appendix A 5 or Part 97.34.

- (2) All materials, including, but not limited to, computer software, visual works or text, reproduced or distributed pursuant to this subgrant agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Subgrantee or Subgrantor and which result directly or indirectly from this subgrant agreement may not be reproduced or disseminated without prior written permission from Subgrantor.

e). Patent Rights

With respect to inventions (refer to 29 CFR, 97.36(i)(8)) made by Subgrantee in the performance of this subgrant agreement, which did not result from research and development specifically included in the Subgrant's scope of work, Subgrantee hereby grants to Subgrantor a license as described under paragraph nineteen c) for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the subgrant agreement's scope of work, then Subgrantee agrees to assign to Subgrantor, without addition compensation, all its right, title and interest in and to such inventions and to assist Subgrantor in securing United States and foreign patents with respect thereto.

f). Third-Party Intellectual Property

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

g). Warranties

- (1). Subgrantee represents and warrants that:

- (a). It has secured and will secure all rights and licenses necessary for its performance of this subgrant agreement.
- (b). Neither Subgrantee's performance of this subgrant agreement, nor the exercise by either Party of the rights granted in this subgrant agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Subgrantee or Subgrantor and which result directly or indirectly from this subgrant agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There are currently no actual or threatened claims by any such third party based on an alleged violation of any such right by Subgrantee.
- (c). Neither Subgrantee's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (d). It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors.
- (e). Of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites locations, property or props that may be used or shown.
- (f). It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to Subgrantor in this subgrant agreement.

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

(h). It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Subgrantee's performance of this subgrant agreement.

- (2). SUBGRANTOR MAKES NO WARRANTY, THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS SUBGRANT AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

h). Intellectual Property Indemnity

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

i). Survival

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

20. Confidentiality Requirements

The State of California and the Subgrantee will exchange various kinds of information pursuant to this subgrant agreement. That information will include data, applications, program files, and information about specific clients receiving services. These data and information are confidential when they define an individual or an employing unit or when the disclosure is restricted or prohibited by any provision of law. Confidential information requires special precautions to protect it from unauthorized use, access, disclosure, modification, and destruction. The sources of information may include, but are not limited to, the Employment

Development Department, the California Department of Social Services, the California Department of Education, the California Department of Corrections, the County Welfare Department(s), the County IV-D Directors Office of Child Support, the Office of the District Attorney, the California Department of Mental Health, the California Office of Community Colleges, the Department of Alcohol and Drug Programs, and individuals requesting program services.

The Subgrantor and Subgrantee agree that:

- a). Each party shall keep all confidential information that is exchanged between them in the strictest confidence and make such information available to their own employees only on a "need-to-know" basis.
- b). Each party shall provide security sufficient to ensure protection of confidential information from improper use and disclosures, including sufficient administrative, physical, and technical safeguards to protect this information from reasonable unanticipated threats to the security or confidentiality of the information.
- c). The Subgrantee agrees that information obtained under this subgrant agreement will not be reproduced, published, sold or released in original or in any other form for any purpose other than those specifically identified in this agreement.
 - i. Aggregate Summaries: All reports and/or publications developed by the Subgrantee based on data obtained under this agreement shall contain confidential data in aggregated or statistical summary form only. "Aggregated" refers to a data output that does not allow identification of an individual or employer unit.
 - ii. Publication: Prior to publication, Subgrantee shall carefully analyze aggregated data outputs to ensure the identity of individuals and/or employer units cannot be inferred pursuant to Unemployment Insurance Code section 1094(c). Personal identifiers must be removed. Geographic identifiers should be specified only in large areas and as needed, and variables should be recorded in order to protect confidentiality.
 - iii. Minimum Data Cell Size: The minimum data cell size or derivation thereof shall be three participants for any data table released to outside parties or to the public.
- d). Each party agrees that no disaggregate data, identifying individuals or employers, shall be released to outside parties or to the public.
- e). The Subgrantee shall notify Subgrantor's Information Security Office of any actual or attempted information security incidents, within 24 hours of initial detection, by telephone at (916) 654-6231. Information Security Incidents include, but are not limited to, any event (intentional or unintentional), that causes the loss, damage, or destruction, or unauthorized access, use, modification, or disclosure of information assets.

The Subgrantee shall cooperate with the Subgrantor in any investigations of security incidents. The system or device affected by an information security incident and containing confidential data obtained in the administration of this program shall be immediately removed from operation upon confidential data exposure or a known security breach. It shall remain removed from operation until correction and mitigation measures are applied.

If the Subgrantee learns of a breach in the security of the system which contains confidential data obtained under this Subgrant, then the Subgrantee must provide notification to individuals pursuant to Civil Code section 1798.82.
- f). The Subgrantee shall provide for the management and control of physical access to information assets (including personal computer systems, computer terminals, mobile computing devices, and various electronic storage media) used in performance of this Subgrant. This shall include, but is not limited to, security measures to physically protect data, systems, and workstations from unauthorized access and malicious activity; the prevention, detection, and suppression of fires; and the prevention, detection, and minimization of water damage.
- g). At no time will confidential data obtained pursuant to this agreement be placed on a mobile computing device, or on any form of removable electronic storage media of any kind unless the data are fully encrypted.
- h). Each party shall provide its employees with access to confidential information with written instructions fully disclosing and explaining the penalties for unauthorized use or disclosure of confidential information found in section 1798.55 of the Civil Code, section 502 of the Penal Code, section 2111 of the Unemployment Insurance Code, section 10850 of the Welfare and Institutions Code and other applicable local, state and federal laws.
- i). Each party shall (where it is appropriate) store and process information in electronic format, in such a way that unauthorized persons cannot reasonably retrieve the information by means of a computer.
- j). Each party shall promptly return to the other party confidential information when its use ends, or destroy the confidential information utilizing an approved method of destroying

WIA SUBGRANT AGREEMENT

Subgrantee: CITY OF LONG BEACH

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confidential information: shredding, burning, or certified or witnessed destruction. Magnetic media are to be degaussed or returned to the other party.

- k). If the Subgrantor or Subgrantee enters into an agreement with a third party to provide WIA services, the Subgrantor or Subgrantee agrees to include these data and security and confidentiality requirements in the agreement with that third party. In no event shall said information be disclosed to any individual outside of that third party's authorized staff, subcontractor(s), service providers, or employees.
- l). The Subgrantee may, in its operation of the One-Stops, permit a One-Stop Operator to enter into a subcontract to manage confidential information. This subcontract may allow an individual to register for resume-distribution services at the same time the individual enrolls in CalJOBS. Subgrantee shall ensure that all such subcontracts comply with the intellectual property requirements of paragraph 19 of this Subgrant, the confidentiality requirements of paragraph 20 of this Subgrant and any other terms of this Subgrant that may be applicable. In addition, the following requirements must be included in the subcontracts:
- (1) All client information submitted over the Internet to the subcontractor's databases must be protected, at a minimum, by 128-bit Secure Socket Layer (SSL) encryption. Clients' social security numbers must be stored in a separate database within the subcontractor's network of servers, and protected by a firewall and a secondary database server firewall or AES data encryption. If a subcontractor receives client social security numbers or other confidential information in the course of business, for example a resume-distribution service that provides enrollment in CalJOBS, social security numbers must be destroyed within two days after the client registers for CalJOBS. If a subcontractor obtains confidential information as an agent of the subgrantee, the subcontract must specifically state the purpose for the data collection and the term of records retention must be stated, and directly related, to the purpose and use of the information. In accordance with 29 Code of Federal Regulations 97.42, social security numbers and other client specific information shall not be retained for more than three years after a client completes services. The subgrantee should extend this period, only if any litigation, claim, negotiation, audit, or other action involving the records has been started before the end of the three-year retention period. In this case the records should be maintained until completion of the action and resolution of all issues arising from it, or until the close of the three-year retention period, whichever is later. (29 CFR sec. 97.42 (b) (2).)
 - (2) Client information (personal information that identifies a client such as name and social security number) and/or demographic information of a client (such as wage history, address, and previous employment) shall not be used as a basis for commercial solicitation during the time the client or agency is using the subcontractor's services. Client information and/or demographic information shall not be used for any purposes other than those specific program purposes set forth in the subcontract.
 - (3) A One-Stop client must still be given the option to use the One-Stop's services, including CalJOBS, even if he or she chooses not to use any services of the subcontractor. This option shall be prominently, clearly, and immediately communicated to the client upon registration within the One-Stop or for CalJOBS, the subcontractor's resume-distribution services, or any other services subcontractor offers to the client or the One-Stop Operator.
 - (4) The subcontractor must clearly disclose all of its potential and intended uses of the client's personal and/or demographic information for the services the clients seeks and for any other services the subcontractor offers. The subcontractor shall not use a client's personal and/or demographic information without the client's prior permission. A link to the subcontractor's Privacy Policy shall appear prominently on the registration screens that list the potential and intended uses of the client's personal and/or demographic information.
 - (5) When the Subgrantor modifies State automated systems such as the State CalJOBS System, it shall provide reasonable notice of such changes to the Subgrantee. The Subgrantee shall be responsible to communicate such changes to the One-Stop Operator(s) in the local area.
- m). Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and each party shall notify the other of any changes in that designation. As of this date, the following are those individuals:

FOR THE SUBGRANTOR

Name: Elizabeth J. Clingman
 Title: Section Manager
 Address: P.O. Box 826880, MIC 69
 Sacramento, CA 94280-0001
 Telephone: (916) 654-9699

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Fax: (916) 654-9586

FOR THE SUBGRANTEE

Name: Bryan S. Rogers
Title: Executive Director
Telephone: 562-570-3701
Fax: 562-570-3704

21. Signatures

This subgrant agreement is of no force and effect until signed by both of the parties hereto.
Subgrantee will not commence performance prior to the beginning of this subgrant agreement.

Revised October 2007

EXHIBIT COVER SHEET

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EXHIBIT DD
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SUBGRANTEE: CITY OF LONG BEACH
FUNDING SOURCE: WIA TITLE I YOUTH FORMULA 301

TERM OF THESE FUNDS: 04/01/2010 TO: 06/30/2012

Use of funds added by this modification is limited to this period and additionally limited by the recapture provisions applicable to this funding source. The state may at its discretion recapture funds obligated under this exhibit, if expenditure plans are not being met.

PROGRAM NARRATIVE

The purpose of this action is to initiate this Local Workforce Investment Area's (LWIA) new Program Year (PY) 2010-11 Workforce Investment Act (WIA) Title I subgrant agreement and to incorporate WIA Youth formula funding into Grant Code (GC) 301. The amount in GC 301 represents this LWIA's entire youth formula allocation for PY 2010-11. The term dates for these funds is April 1, 2010 to June 30, 2012.

The LWIA will operate the WIA program in accordance with the approved Workforce Investment Plan on file in the Workforce Services Division of the Employment Development Department, P.O. Box 826880, MIC 50, Sacramento, CA 92480-0001.

This exhibit adds to and does not replace the terms and conditions of any other exhibit included in this agreement which terms and conditions remain in full force and effect.

WIA (3/2000)

**Statement of Work
Youth Academy Project
Cost Reimbursement Contract**

SUBCONTRACTOR: California State University Long Beach
5500 Atherton St.
Long Beach, CA 908135
(Hereinafter referred to as "Subcontractor")

CONTRACT TERM: July 1, 2010-June 30, 2012

CONTRACT AMOUNT: \$90,000 (2 Years)

YOUTH TO BE SERVED: In - School Youth

SERVICE REGION: Region 1 – Long Beach/Signal Hill

YOUTH TO ENROLL/SERVE: 30

FUNDING AGENCY: City of Long Beach, Administrative Entity for
the Pacific Gateway Workforce Investment
Network

Administered by the City of Long Beach, the Pacific Gateway Workforce Investment Network (Network), through its Youth Opportunity Center (YOC), coordinates and oversees services supporting the workforce needs of the residents and businesses it serves. California State University Long Beach shall, on behalf of the Network and YOC, administer the program services described herein.

I. SPECIAL AWARD CONDITION

Subcontractor has not conformed to the terms of the previous award and is now funded under "Special Award Conditions" as referenced (29 CFR 95.14). By failing to meet the State's Common Performance Measures as required, the Network has imposed additional requirements of "Corrective Action." The details and timelines of the additional requirements imposed will be provided under an alternative format.

29 CFR 95.14, if an applicant or recipient falls under one or more of the noted categories below:

- a. Has a history of poor performance,
- b. Is not financially stable
- c. Has a management system that does not meet the standards prescribed in this part,
- d. Has not conformed to the terms and conditions of a previous award, or
- e. Is not otherwise responsible.

II. PROJECT SUMMARY

In accordance with this contract, Subcontractor shall provide youth services funded under the Workforce Investment Act (WIA) of 1998. The overall goal is to provide services that develop the potential of youth as citizens and leaders, and fosters positive long-term outcomes for youth participants. The youth served under this contract are 18-21 years old, reside in Long Beach and Signal Hill and are WIA eligible. WIA-eligible youth are youth who are economically disadvantaged and have one or more identified barrier (i.e., basic skills deficient, homeless, runaway, foster youth, pregnant or parenting, offender, school drop-out, youth with a disability or youth who requires additional assistance to complete an educational program or to secure/hold employment). Unless otherwise approved by the Network in writing, youth previously enrolled in WIA-funded program, either through the Network or a subcontract, may not be enrolled in the WIA Youth Academy Project if less than two years have passed since their exit from the WIA-funded program. Concurrent enrollment with another WIA-funded youth program is also not permitted without prior approval from the Network.

III. PROGRAM DESIGN

The Subcontractor's Youth Academy Project focuses on exposing, preparing and placing youth in high-growth/high demand careers/industries. Subcontractor will ensure youth's academic preparation through basic skills upgrading (i.e., math, reading, etc.) and occupational skills training, as well as through work-readiness training. By creating successful partnerships with organizations from education, business, labor, social services and community-based organizations, Subcontractor shall ensure youth's preparedness to enter the labor market, particularly high-growth/high-demand careers/industries for employment or enter post-secondary education, military or advanced training. To further support the Project's focus, the Subcontractor has uniquely designed their respective project to incorporate additional career exploration activities, as well as other services, to meet the needs of their youth participants and to capitalize on the individual expertise of the Subcontractor and their Project partners.

IV. PROGRAM ADMINISTRATION

A. Outreach/Recruitment

Subcontractor is responsible for ensuring that enrollment goals are met as a result of outreach and recruitment efforts (Refer to Program/Budget Planning Summary). The Subcontractor's outreach and recruitment efforts shall focus on WIA-eligible youth. WIA-eligible youth are youth who are economically disadvantaged, 18-21 years old, and have one or more of the following identified barriers:

1. Basic Skills Deficient (below 9th grade level in reading and/or math);
2. Homeless, Runaway, Foster Youth;
3. Pregnant or Parenting;
4. Offender;
5. School Dropout; and

6. Youth requires additional assistance to complete an educational program or to secure/hold employment.

Subcontractor is required to place the following language on all printed materials (i.e., flyers, brochures, announcements, etc.) used in conjunction with the Subcontractor's WIA-funded project:

"This program is funded by the Workforce Investment Act (WIA) of 1998 through the Pacific Gateway Workforce Investment Network."

- and -

"Equal Opportunity Employer/Program. Auxiliary aids and services available upon request to individuals with disabilities. To request a reasonable accommodation, please call (insert appropriate telephone number) or TTY (insert appropriate telephone number) at least 72 hours prior to event."

Upon request, Subcontractor may utilize the Pacific Gateway Workforce Investment Network's logo on printed materials used in conjunction with Subcontractor's WIA-funded project.

B. Orientation

Subcontractor must provide program orientation to prospective youth participants. The orientation must include information on the full-array of services provided available through the WIA-funded program, including services and referrals provided by collaborating partners.

C. Eligibility/Initial Certification

Subcontractor is responsible for initial determination of WIA eligibility for all perspective participants recruited for its program. All necessary completed eligibility documents and MIS forms must be batched and provided to the Youth Opportunity Center for final eligibility determination. Subcontractor is required to make sure all male U.S. citizens, and male aliens living in the U.S., who are 18 through 25, are registered with Selective Service. Subcontractors must keep record of male participants who will turn 18 throughout the program and ensure they become registered with Selective Service once they turn 18. Subcontractors are required to submit documentation verifying participant's selective service registration to Youth Academy Specialist.

D. Basic Skills Assessment/Upgrading

Subcontractor is responsible for conducting an initial basic skills assessment, the Test of Adult Basic Education (TABE), for all participants during the eligibility/initial certification appointment. If a youth is determined to be basic skills deficient (scoring below 9th grade level in either reading or applied math on the TABE), the area(s) of deficiency must be addressed through activities designed to increase comprehension. All deficient youth must receive remediation in all areas of deficiency (i.e., reading, applied math). **A post-test to determine a functioning level increase must be administered to all basic skills deficient youth.** Subcontractor must use TABE 9 Level D as a pre-test,

and TABE 10 Level D as a post-test. **There must be a minimum of 50 hours of instruction before administering the post-test.** TABE pre- and post-test scores will be recorded on the MIS Test Scores form. Basic skills remediation activities may include school re-entry for out-of-school youth. Non-basic skills deficient youth may also participate in remediation activities.

E. MIS Enrollment and Test Scores

MIS Enrollment and Test Scores forms must be submitted by the Subcontractor within 5 days of providing services to youth. Services may not be provided to youth until final eligibility determination and enrollment is completed and approved. Once activities are completed, the updated Enrollment and Test Scores forms must be submitted to the Youth Opportunity Center for review and submission to the Program Support Unit. Subcontractor must ensure the timeliness of submissions, as it impacts the validity of data reported by the Network to its Board and the State's Employment Development Department.

F. Case Management

Subcontractor shall provide case management services, including (but not limited to): developing an Individual Service Strategy (ISS) in partnership with youth, which documents all services and progress towards achievement of program goals and objectives; individual counseling; file maintenance; and completion of all required customer tracking forms, including case notes. Subcontractor staff will be required to use the Network's Internet-based case management system (VOS-Virtual One-Stop) to record and document services provided to participating youth. Case management staff, as well as other appropriate Subcontractor staff, are responsible for attending and actively participating in mandatory monthly Subcontractor meetings and training sessions, prior to and during the contract period.

G. National Work-Readiness Credential Training (NWRC)

Subcontractor shall ensure all enrolled youth are provided work-readiness training in accordance with the Equipped for the Future (EFF) learning standards under the National Work Readiness Credential (NWRC). Subcontractor shall provide directly or coordinate such efforts with Network approved vendors. This training will cover four modules of real world scenarios:

- Situational Judgment;
- Oral Language;
- Reading and Understanding; and
- Using Math to solve problems

These modules incorporate information (i.e., scenarios, case studies, data, etc.) that further exposes youth to high-growth/high-demand occupation(s)/industry(ies).

Class-based training components will include both basic skills remediation and work readiness instruction in line with NWRC curriculum and standards. Youth

are required to pre- and post-test youth for knowledge of work readiness skills utilizing assessment components.

Upon successful completion and attainment of the (NWRC) training, the participant will receive a "National Work Readiness Credential Attainment" certificate issued by the Castle Worldwide Incorporated. Subcontractor must obtain a copy of the original Credential and maintain it in the case file. A copy of the Credential must be provided to the Youth Academy Specialist and the Operations Unit when requesting reimbursement for performance incentives.

Please Note: The NWRC does not meet the criteria for Industry Recognized Certificate.

H. Occupational Skills Training Component

Enrolled youth on must receive occupational skills training that focuses on a high-growth/high-demand occupation/ industry, and provide youth with the skills necessary to perform work-related functions within that occupation/industry. Subcontractor is required to assess youth for occupational interest, training suitability and attainment of skills tied to the occupational skills training provided.

Upon completion of the occupational skills training component, Subcontractor shall issue a Certificate of Completion to participating youth, verifying the youth's completion of the occupational skills training component. (Youth Opportunity Center staff will provide a sample template of a Certificate of Completion form for use by the Subcontractor). Once issued, a copy of the Certificate must be maintained in the case file, provided to the Youth Academy Specialist and the Operations Unit if requesting reimbursement for performance incentives.

I. Industry Recognized Certificate

Enrolled youth must attain an industry-recognized certificate in recognition of necessary technical or occupational skills gained for employment in a high-growth/high-demand occupation/industry, or advance training within an occupation, in addition to, a high school diploma or GED (if applicable).

Certificates may be issued by:

- State boards or education, State boards governing community colleges and universities;
- State licensing boards for private schools, State education associations;
 - Integrated post-secondary or higher education reporting units;
 - State Department of Professional or Occupational Regulation;
 - Professional, industry, or employer organizations or product manufacturers or developers;
 - Registered apprenticeship programs, Office of Job Corps; and
 - Training institutions/providers.
- High School or Adult Basic Education providers (GED/Equivalent testing agencies).

PROGRAM SPECIFIC DETAILS

The Subcontractor's Upward Bound Program will expose youth to high-demand/high-growth training leading to industry-recognized certificates and employment. These occupations may include Healthcare, Office Administration and Office Systems.

The Subcontractor is responsible to ensure partners are adhering to the State of California requirements for classroom training and for any hands-on practicum and supervision in order to successfully pass and obtain an industry recognized certificate.

Subcontractor will meet certificate attainment requirements as spelled out in the Program Performance Standards Section through the participant's attainment of the following industry-recognized certificate/s:

- o ROP Certificate issued from the Long Beach School for Adults

Additional industry recognized certificates may be adopted into the program design per the discretion of the YOC Program Manager.

J. Supportive and Referral Services

Subcontractors must follow the Network's Supportive Services guidelines contained in policy WIB-18 Supportive Service Policy.

Supportive Services may be provided to WIA-enrolled youth, as defined in WIA Section 101 (46), may include the following:

- A. Linkages to community services;
- B. Assistance with transportation;
- C. Assistance with child care and dependent care;
- D. Assistance with housing;
- E. Referrals to medical services; and
- F. Assistance with uniforms or other appropriate work attire and related work tools, including such items as eyeglasses and protective eye wear.

WIA Youth Subcontractors must have authorization to provide supportive services outside of the defined list (a-f). If supportive services are not identified on their approved budget, subcontractors must obtain pre-approval prior to issuance. Subcontractors must coordinate with Youth Opportunity Center staff to ensure that required forms and supporting documentation is accurately provided.

K. Follow-Up Services

Subcontractor must provide all youth with some form of follow-up service, every 30 days as appropriate, for a minimum of twelve months after exit (TEGL 3-99). If it has been determined that an exited youth customer is in need of substantial follow-up services as documented in their ISS and/or their case

notes, **Subcontractor must provide follow-up services as often as is necessary to address the youth's circumstances and needs.**

Follow-up services help to ensure continued youth engagement and sustain positive progress and outcomes toward long-term success. Follow-up services for youth may include:

1. Confirmation of performance attainment
2. Leadership development
3. Supportive services
4. Regular contact with a youth and their employer, including assistance addressing work-related problems that arise
5. Assistance in securing better paying jobs, career development and further education
6. Work related peer support groups
7. Adult mentoring and tutoring
8. Tracking the progress of youth in employment after training

V. PROGRAM ELEMENTS

WIA requires that youth participating in WIA-funded programs have access to 10 required program elements. Under this contract the Subcontractor or other partnering agency are providing four of these elements, (1) Academic Assistance (Basic Skills Upgrading), (2) Occupational Skills Training, (3) Supportive Services, and (4) Follow-up Services. In addition, participants must have access to the other six elements by partner or through referral:

1. **Alternative Education** - Opportunities and assistance to re-enroll and attend an educational program outside of traditional secondary education including adult schools, charter schools, high school diploma or GED programs, community colleges, vocational schools and/or occupational programs
2. **Leadership Development** - Opportunities for youth to learn, direct, and apply positive leadership and positive social behaviors. This includes community service, citizenship training, decision-making, service learning, cultural diversity training, and peer-centered activities encouraging responsibility.
3. **Mentoring** - Opportunities for youth to interact meaningfully, and one-on-one, with a caring adult(s) over a minimum 12-month period to improve academic performance, provide job shadowing, goal setting, career exploration, work readiness, and social skills improvement – and may occur both during and after Youth Academy Project participation.
4. **Guidance and Counseling** - Services that offer advice, guidance, and resources to aid youth in overcoming barriers and in solving personal problems – and includes (not limited to) drug and alcohol abuse counseling, goal setting, and referrals to other services appropriate to the needs of the individual youth.

- 5-6. **Work Experience and Summer Employment** - Opportunities for youth to learn work-related skills and to acquire effective workplace behaviors, including both paid and unpaid work experience activities, internships, summer employment, job shadowing, and other planned and structured learning experience that occurs in the workplace.

VI. INCENTIVE

Subcontractor may provide participating youth with performance incentives and/or program incentives to maximize positive performance outcomes and encourage active program participation.

Performance Incentives are available to youth meeting specific goals listed in the Network's Performance Incentive Policy Matrix. Youth participants may be able to earn up to \$300 (not more than \$75 increments per outcome, no more than 4 instances) in performance incentives for achieving established performance goals, as budgeted by Subcontractor. In addition, Subcontractor will ensure that Tracking/Receipt Form is maintained in each case file, along with appropriate supporting documentation, to verify that outcomes have been achieved and incentives received by youth.

Program Incentives may be used to encourage participation and continued progress as youth successfully complete one or more components of a program. Incentives, for example may address areas of completion of work experience/internship, tutoring activities, good/improved attendance and behavior. Incentives can include gift certificates, T-shirts, field trips, or other items the program determines to be motivating to youth. Youth participants may be able to earn up to \$250 and not more than in program incentives for achieving established program outcomes, as budgeted by Subcontractor. Subcontractor will ensure that Criteria Proposal Form for program incentives is completed and submitted to the YOC Coordinator for approval prior to providing any program incentives to participating youth. In addition, Subcontractor will ensure that Tracking/Receipt Form is maintained in each case file, along with appropriate supporting documentation, to verify that outcomes have been achieved and incentives received by youth.

VII. PROGRAM PERFORMANCE STANDARDS

Performance measures are set by the State of California Workforce Investment Division, in negotiation with the Pacific Gateway Workforce Investment Board. In an effort to ensure and maximize positive outcomes, the Network has included local outcomes for WIA Subcontractors.

Continuation of funding will be contingent upon the attainment of the following performance outcomes.

YOUTH PERFORMANCE MEASURES

BASIC SKILLS (75% Completion Rate)

Objective - Youth should attain at least one basic skills goal, which represents an increase in an educational functioning level within each area of deficiency, within one year of the date set or prior to exit (whichever comes first)

Program Elements – Basic skills remediation must be provided in each area of deficiency

Required Documentation – MIS Enrollment form (when applicable), Basic Skills Pre and Post assessments, MIS Youth Test Scores form (when applicable)

Excludes – Youth that are not deficient on their basic skills pre-test

NATIONAL WORK READINESS CREDENTIAL TRAINING (85% Completion Rate)

Objective – All youth should be pre-tested, post-tested in areas that youth did not pass, and provided training.

Program Elements – National Work Readiness Training (Not Industry Recognized Certificate)

Required Documentation – MIS Enrollment form, National Work Readiness Pre- and Post-test scores, and credential if obtained.

Excludes – N/A. All youth required to participate

OCCUPATIONAL SKILLS TRAINING (85% Completion Rate)

Objective - Youth should successfully complete occupational skill training and receive a Subcontractor issued program certificate for “Successful Completion of Occupational Skill Training” in addition to an Industry Recognized Certificate

Program Elements – Occupational skills training

Required Documentation – MIS Enrollment form, Occupational skills evaluations, attendance records, Subcontractor issued certificate of completion

Excludes – N/A. All youth required to participate

INDUSTRY RECOGNIZED CERTIFICATE (80% Completion Rate)

Objective - All youth participating in the Subcontractor’s program are expected to earn an industry-recognized certificate, regardless of whether the youth earns a High School diploma or GED

Program Elements – Occupational skills training

Required Documentation – MIS Enrollment form, Industry-recognized certificate

Excludes – N/A. All youth required to participate

EXIT – PLACED IN ONE OF THE FOLLOWING: EMPLOYMENT, POST-SECONDARY EDUCATION, MILITARY OR ADVANCED TRAINING (75% Completion Rate)

Objective - At exit, youth should be in employment (full-time or part-time), enrolled in post-secondary education, advanced training, and/or in the military

Program Elements – MIS Enrollment form, work readiness or occupational skills training, academic and training assistance, work experience, internship, job search assistance

Required Documentation – Employment information (i.e., check stub, letter of employment, etc.), school records, training records, military records (when applicable) and MIS Exit Form

Excludes – Youth who are already employed and remained with the same employer at exit, or in post-secondary education or training at enrollment or neutral outcomes

FOLLOW-UP ACTIVITY (75% Completion Rate)

Objective - During the first and third quarter after exit, youth should be in employment (fulltime or part-time), post-secondary education, advanced training, occupational skills training and/or in the military

Program Elements – Follow-up services

Required Documentation – Employment information/supplemental data, school records, training records or military records (when applicable) and MIS Follow-Up Form

Excludes – Youth that exit the program with a neutral outcome

NEUTRAL OUTCOMES

Youth that exit the program in one of the following neutral outcomes will be excluded from this performance measure:

- Institutionalized
- Health/Medical or Family Care
- Reserve Forces called to active duty
- Relocated to a Mandated Program
- Deceased

VIII. CONTRACT MANAGEMENT

The City shall compare planned vs. actual program performance and expenditure levels on a quarterly basis. This analysis is based on the Subcontractor's approved Program/Budget Planning Summary Form (Exhibit D).

If subcontractor is 10% or more below their planned total at the end of the quarter or any quarter thereafter, the City has the right to unilaterally cancel the contract or deobligate funds up to the amount of the under expenditure. Alternatively, Subcontractor may be required to implement a corrective action plan for review and approval by the City. Subcontractor shall ensure all planned program performance and expenditure levels are met.

IX. RECORD KEEPING AND MONTHLY REPORTING REQUIREMENT

A. Fiscal Reporting/Invoicing

1. Subcontractor will ensure that invoices are submitted on the 10th of each month and are in compliance with Project Budget (Exhibit C). If the 10th of the month falls on a Saturday or Sunday, invoice must be submitted the Friday

- before. Subcontractor is required to participate in WIA In-Service Training and provide invoices and supporting documentation as requested by the City.
2. Subcontractor funds will not exceed **\$90,000** of WIA Title I funds to achieve program goals. The Subcontractor will be reimbursed for all pre-approved (reasonable and necessary) costs incurred in the operation of the program, as detailed in the Project Budget. Supporting documentation is required to justify reimbursements.
 3. Subcontractor must include accruals on all monthly invoices per State of California Directive WIAD 04-15, effective March 1, 2005.
 4. Subcontractor may exceed cost categories by no more than 10%, provided that the difference is reduced from other account(s) within the same cost category and the total amount for each cost category remains the same. Any other budget changes must be approved by the City and through a Letter of Modification or an Amendment to the Contract submitted by the Subcontractor.
 5. Invoices must be submitted to the Pacific Gateway Workforce Investment Network, 3447 Atlantic Avenue, Long Beach, CA 90807, Attention: Accounts Payable.
 6. Written requests for budget changes must be submitted to the Pacific Gateway Workforce Investment Network, 3447 Atlantic Avenue, Long Beach, CA 90807, Attention: Contracts/Procurement Coordinator.
 7. Subcontractor shall ensure the accuracy of each invoice.
 8. Subcontractor must submit a Cost Allocation Plan annually to the City.

B. Program Reporting

1. Subcontractor shall ensure the timely submittal of required program documents, reports, and forms.
2. Subcontractor shall submit all required MIS forms within 5 working days of activity.
3. Subcontractor completed and submitted to the Network for approval a Program and Budget Planning Summary. The Summary is incorporated as part of this Statement of Work and will be monitored by YOC staff to ensure targeted numbers and costs are met.
4. Subcontractor will ensure the completion and submittal of the Monthly Management Report (MMR) on the 10th of each month. If the 10th of the month falls on Saturday or Sunday, the MMR must be submitted on the Friday prior to the 10th. A copy of the MMR must be provided to the Subcontractor's assigned Network Youth Academy Specialist as well as included as part of the Subcontractor's invoice, due on the 10th of each month.
5. The MMR is designed to track actual program activity (i.e. enrollment, goals, etc.) and individual participation with each Subcontractor to determine if planned performance levels are met, or if corrective action is necessary.

6. Subcontractor shall ensure the accuracy of each report.

C. Record Keeping and Reporting Requirements

1. The following documents are to be maintained in participant files by the Subcontractor:

- a. Eligibility Documentation;
- b. Suitability Interview;
- c. Participant Handbook Receipt;
- d. MIS Documentation;
- e. Case Notes via Virtual One-Stop (VOS);
- f. Applicable Pre & Post Tests;
- g. Individual Service Strategy (ISS);
- h. Participant Internship Agreement (if applicable);
- i. Training Site Agreement (if applicable);
- j. Copy of YOC Application;
- k. Verification of Supervisor Orientation Form (if applicable);
- l. Parental Medical and Emergency Consent Form;
- m. Consent to Access Internet;
- n. Copy of Participant Time Sheets (if applicable);
- o. Certificate of Completion (Work-readiness and Occupational Skills);
- p. Industry-recognized Certificates;
- q. Progress Reports;
- r. Participant Evaluations completed by Worksite Supervisor (if applicable);
- s. Support Services Request Form (if applicable);
- t. Support Services Tracking Form (if applicable);
- u. Incentive Program Tracking Form (if applicable);
- v. Incentive Performance Tracking Form (if applicable);
- w. Follow-up Services(s)

2. Subcontractor is required to immediately notify assigned Youth Academy Specialist, or in his/her absence YOC Coordinator, of any accident or injury and to submit an Incident Report regarding such occurrence.

3. Subcontractor is required to maintain all program records for a minimum of 7 years. Access to records by the awarding agency, the grantee, DOL, or the Controller Center of the United States for the purpose of audit, examination, excerpts, and transcription must be made available. Records retained for 7 years may not be destructed unless approved by the City in writing.

D. FINAL PROJECT SUMMARY REPORT

Subcontractor is required to submit final billing and report to the City within thirty (30) days of completion of contract. At minimum the report shall address the following:

1. Brief description of programs and services offered;
2. Challenges
3. Number of enrollments;

4. Results of Special Award Condition Corrective Action Outcomes (if applicable)
5. Total hours of paid activities for each participant;
6. Number of positive outcomes;
7. Performance outcomes met;
8. List of collaborating partners and training sites utilized, and services provided by each;
9. Recommendations for future programs; and
10. Final close-out invoice with total funds awarded and expended.

X. GENERAL INFORMATION

A. Unallowable Activities and Costs

The Subcontractor shall comply with the following guidelines per WIA, or reimbursement may be disallowed:

1. Political Activities: No financial assistance may be provided for any program, which involves political activities.
2. Maintenance of Effort:
 - a. No currently employed worker shall be displaced by any participant (including partial displacement, such as a reduction in hours or non-overtime work, wages or employment benefits).
 - b. No WIA funds are to be used to assist, promote, or deter union organizing.
 - c. No program shall impair existing contracts for services or collective bargaining agreements without the written concurrence of the labor organization and employer concerned.
 - d. No participant shall be employed or job opening filled when (1) any other individual is on layoff from the same or any substantially equivalent job, or (2) when the employer has terminated employment with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this contract.
 - e. No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.
 - f. No person or organization may charge an individual a fee for the placement or referral of such individuals in or to a training program funded under this Act.

B. WIA Contract Clauses

Subcontractor shall administer contract within the policies and procedures mandated by the Workforce Investment Act of 1998 and the Pacific Gateway Workforce Investment Network and agrees to comply with the following contract clauses, as applicable, during the duration of the contract period:

- a. Compliance with awarding agency requirement and/or regulations related to patent rights, copyrights, and rights in data;
- b. Maintenance of records for 7 years;
- c. The Equal Employment Opportunity Act provisions;

- d. The Americans with Disabilities Act of 1990;
- e. The Contract Work Hours and Safety Standards Act;
- f. The Clean Air Act and Environmental Protection Agency regulations;
- g. The Energy Policy Conservation Act;
- h. The Bryd Anti-Lobbying Amendment;
- i. The Debarment and Suspension requirements;
- j. The Copeland "Anti-Kickback" Act;
- k. The Davis-Bacon Act.

C. Administrative Dispute Resolution

The YOC/Pacific Gateway Workforce Investment Network and Subcontractor will communicate openly and directly to resolve any problems or disputes related to completing the contract in a cooperative manner and at the lowest level of intervention possible. Should information resolution efforts fail, the dispute shall be referred to the Chair of the Pacific Gateway Workforce Investment Network's Board who shall place the dispute upon the agenda of a regular or special meeting of the Executive Committee. The Executive Committee decision will be the final administrative decision.

D. Nepotism

Subcontractor may not hire, directly or through an employing agency, a person in an administrative capacity, staff position, or on-the-job training position funded under the Act if a member of that person's immediate family is engaged in an administrative capacity for that Subcontractor.

Immediate family is defined as a wife, husband, son, daughter, mother, father, brother, brother-in-law, sister, sister-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, stepparent and stepchild.

XI. CONTINUATION OF CONTRACT:

Continuation of this contract is contingent upon the satisfactory achievement of the standards and goals of the contract as determined by the City and/or availability of WIA funds from the State of California. If a Subcontractor cannot fulfill the obligations of this contract, the Subcontractor must notify the Network's Contracts/Procurement Coordinator in writing immediately.

XII. LETTER OF MODIFICATION:

The Subcontractor agrees to the following procedures for modification of the contract:

1. All requests for contract modifications must be in writing and include detailed justification for such modifications.
2. The City may initiate a letter of modification at any time during the contractual term with written concurrence from the Subcontractor. Letters should be addressed to Bryan Rogers; Executive Director, Pacific Gateway Workforce Investment Network, 3447 Atlantic Avenue, Long Beach, CA 90807.

RECEIVED
JUN 21 2010
BY: *H. H. via email*

EXHIBIT C
PACIFIC GATEWAY WORKFORCE INVESTMENT NETWORK
ADMINISTERED BY THE CITY OF LONG BEACH

WIA YOUTH ACADEMY PROGRAM
PROJECT BUDGET

Organization Information:

Name: California State University Long Beach Foundation

Address: 6300 State University Drive, Suite 332, Long Beach, CA 90815
Street City Zip Code

Telephone Number: 562-985-2588

Fax Number: 562-985-7951

Email Address: mdebruin@csulb.edu

Contact Person: Mae DeBruin

Federal ID: [REDACTED]

Agreement Information:

Budget Period: July 1, 2010-June 30, 2012 Contract No: _____

Effective Date: 7/1/2010 Amendment No: _____

Funding Source: Workforce Investment Act (WIA) Fund

Project Name: WIA Youth Academy Program

Fiscal Approval for Budget: *[Signature]* Date: 9/21/10

Fiscal Approval for Cost Allocation Plan (if applicable): *[Signature]* Date: 9/21/10

Subcontractor Name
Program Name
BUDGET DETAIL

INDIRECT COST RATE/ ADMINISTRATIVE COSTS

APPROVED IN-DIRECT COST RATE		Jul 2010 - Jun 2011 1st Year	Jul 2011 - Jun 2012 2nd Year	24 Month Budget Total
	PERCENTAGE			Total
	10%	3,608.19	3,608.19	7,216.38
				-
		TOTAL	3,608.19	3,608.19
				7,216.38

OR

ADMINISTRATIVE SALARY COSTS

		1st Year	2nd Year	24 Month
Position / Title	Hr. Salary	% of allocation		Total
				-
				-
		TOTAL	-	-

ADMINISTRATIVE FRINGE COSTS

		1st Year	2nd Year	24 Month
Description	% Rate/ annual amount	% of allocation		Total
List Budget per position & itemize the benefits (See example below & add add'l lines when necessary)				-
				-
		TOTAL	-	-

PROGRAM SALARY & FRINGE BENEFITS

SALARIES & WAGES			Jul 2010 - Jun 2011 1st Year	Jul 2011 - Jun 2012 2nd Year	24 Month Budget Total
Position Title	Hr. Salary	Planned % of Time			
WIA Coordinator	\$ 23.00	55%	21,378.50	21,378.50	42,757.00
		#DIV/0!			-
					-
		TOTAL	21,378.50	21,378.50	42,757.00

FRINGE BENEFITS			1st Year	2nd Year	24 Month
Description	% Rate/ annual amount	% of allocation (equal to Salary % of time)			Total
List Budget per individual & itemize the benefits (See example below & add add'l lines when necessary)					-
					-
POSITION A					-
FICA	7.65%	100%	1,635.46	1,635.46	3,270.91
Workmen's Compensation	3.56%	100%	761.07	761.07	1,522.15
Health & Welfare Insurance	9.00%	100%	1,924.07	1,924.07	3,848.13
Retirement or Pension	10.00%	100%	2,137.85	2,137.85	4,275.70
Pooled Benefits	16.20%	100%	3,463.32	3,463.32	6,926.63
					-
POSITION B					-
FICA	7.65				-
Workmen's Compensation					-
Health & Welfare Insurance					-
Retirement or Pension					-
					-
		TOTAL	9,921.76	9,921.76	19,843.52

PROGRAM RELATED EXPENSE

			Jul 2010 - Jun 2011	Jul 2011 - Jun 2012	24 Month Budget Total
			1st Year	2nd Year	
TRAINING/ TRAINING MTLs					
Description		Quantity/Price			
Participant Notebooks & Supplies		24 mo/\$70	840.00	840.00	1,680.00
Training					-
		TOTAL	840.00	840.00	1,680.00

			1st Year	2nd Year	24 Month
OPERATING COSTS					
Description		Quantity/Price			Total
Copier		24 mo/\$50	600.00	600.00	1,200.00
Postage		24 mo/\$70	840.00	840.00	1,680.00
Telephone/Communications		24 mo/\$25	300.00	300.00	600.00
					-
					-
					-
		TOTAL	1,740.00	1,740.00	3,480.00

			1st Year	2nd Year	24 Month
PROGRAM - OTHER					
Description		Quantity/Price			Total
Travel - Mileage		24 mo/\$60	720.00	720.00	1,440.00
Awards Banquet		90/\$24.59		2,213.10	2,213.10
Awards Banquet Gifts		30/\$25		750.00	750.00
					-
		TOTAL	720.00	3,683.10	4,403.10

PARTICIPANT RELATED EXPENSE

Description	Quantity/Price	Jul 2010 - Jun 2011	Jul 2011 - Jun 2012	24 Month Budget Total
		1st Year	2nd Year	
Program Incentives	\$250 MAX PER PARTICIPANT			-
Performance Incentive	\$300 MAX PER PARTICIPANT 30/\$300	4,500.00	4,500.00	9,000.00
				-
				-
				-
	TOTAL	4,500.00	4,500.00	9,000.00

SUPPORTIVE SERVICES		1st Year	2nd Year	24 Month Total
Description	Quantity/Price			
Transportation Assistance	360/\$4.50	1,620.00		1,620.00
Training or College Enrollment Fees				-
				-
				-
	TOTAL	1,620.00	-	1,620.00

GRAND TOTAL	\$	44,328.45	45,671.55	90,000.00
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IN-KIND CONTRIBUTION		1st Year	2nd Year	24Month Total
Description	Quantity/Price			
				-
				-
				-
				-
				-
				-
	TOTAL	-	-	-

BUDGET INFORMATION
(Subcontractor Name, Contract#)

SECTION A - Budget Summary by Categories

Acct.No.	Budget Category	Jul 2010 - Jun 2011	Jul 2011 - Jun 2012	24 Month Budget Total
118	Indirect Costs/Administrative	3,608.19	3,608.19	7,216.38
119	Administrative Salary	-	-	-
120	Administrative Fringe	-	-	-
PROGRAM COSTS				
201	Staff Salaries	21,378.50	21,378.50	42,757.00
202	Fringe Benefits	9,921.76	9,921.76	19,843.52
203	Training Materials & Supplies	840.00	840.00	1,680.00
204	Operating Costs	1,740.00	1,740.00	3,480.00
205	Program - Other	720.00	3,683.10	4,403.10
PARTICIPANT RELATED COSTS				
301	Incentives	4,500.00	4,500.00	9,000.00
302	Support Services	1,620.00	-	1,620.00
TOTALS		44,328.45	45,671.55	90,000.00

Section B - Cost Sharing/Match Summary (if appropriate)

Acct. No.	Budget Category	Jul 2010 - Jun 2011	Jul 2011 - Jun 2012	24 Month Budget
	In-Kind Contribution	-	-	-
Total In-Kind:		-	-	-

Note:



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost AllocationDCA Western Field Office
80 7th Street, Suite 4-600
San Francisco, CA 94103

SEP 17 2009

Sandra Shereaman
Sr Dir, Spon Projects/Bus Develop.
Calif State Univ, Long Beach & the Foundation
6300 State University Drive
Suite 332
Long Beach, CA 90815

Dear Ms. Shereaman:

A copy of an indirect cost Negotiation Agreement is attached. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government. Please have the Agreement signed by a duly authorized representative of your organization and return it to me BY FAX, retaining the copy for your files. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal together with supporting information are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on your fiscal year ending 06/30/12, is due in our office by 12/31/12.

Sincerely,

Handwritten signature of Wallace Chan in cursive.

Wallace Chan
Director

Attachment

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY FAX

Phone: (415) 437-7820 - Fax: (415) 437-7823 - E-mail: dcaasf@psc.gov

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #:

DATE: September 10, 2009

INSTITUTION:

Calif State Univ, Long Beach & the Foundation
 6300 State University Drive
 Suite 332
 Long Beach CA 90815

FILING REF.: The preceding Agreement was dated March 12, 2009

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/09	06/30/13	44.5	On-Campus	Organized Research
PRED.	07/01/09	06/30/13	26.0	Off-Campus	Organized Research
PRED.	07/01/09	06/30/13	54.1	On-Campus	Instruction
PRED.	07/01/09	06/30/13	26.0	Off-Campus	Instruction
PRED.	07/01/09	06/30/13	43.2	On-Campus	Other Sponsored Act.
PRED.	07/01/09	06/30/13	26.0	Off-Campus	Other Sponsored Act.
PROV.	07/01/13	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2013.		

*BASE:

Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

INSTITUTION:
Calif State Univ, Long Beach & the Foundation

AGREEMENT DATE: September 10, 2009

SECTION II: SPECIAL REMARKS

TREATMENT OF PAID ABSENCES

For Foundation Regular Employees, the cost of Vacation and Other Paid Absences (OPA) are included in a fringe benefit rate and are not included in direct charges for salaries and wages. Charges for salaries and wages must exclude those paid to Foundation Regular Employees on Vacation or OPA.

For Foundation employment categories other than Foundation Regular Employees, Vacation and OPA are not provided. Thus, charges separate from salaries and wages are not made for this type of benefit.

For University Employees, Vacation and OPA are included in salaries and wages. Separate claims for these costs are not made. Faculty are released to the Foundation when working on Federal projects, and Vacation and OPA are reimbursed by the Foundation to the University as part of the normal charge for salaries and wages.

TREATMENT OF OTHER FRINGE BENEFITS

For Foundation Regular Employees, this organization uses a fringe benefit rate which includes the costs of State Unemployment, Retiree Medical, and Cafeteria Plan and is applied to salaries and wages for budgeting and charging purposes for Federal projects. Actual costs are used for charging purposes for the following fringe benefits: FICA, WORKERS COMPENSATION, HEALTH/LIFE INSURANCE, DISABILITY INSURANCE, MEDICARE AND RETIREMENT.

For Foundation employment categories other than Foundation Regular Employees, the organization uses a fringe benefit rate which includes the costs of State Unemployment and is applied to salaries and wages for budgeting and charging purposes for Federal projects. Actual costs are used for charging purposes for the following fringe benefits: FICA, WORKERS COMPENSATION, AND MEDICARE.

For University Employees, a state calculated fringe benefit rate is used for budgeting purposes for Federal projects. Faculty are released to the Foundation when working on Federal projects, and fringe benefits are reimbursed by the Foundation to the University. The following fringe benefits are treated as direct costs: SUI, SDI, WORKERS COMPENSATION, HEALTH/LIFE INSURANCE, AND RETIREMENT.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition costs of \$5,000 or more per unit.

INSTITUTION:
Calif State Univ, Long Beach & the Foundation

AGREEMENT DATE: September 10, 2009

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

BY THE INSTITUTION:
Calif State Univ, Long Beach & the Foundation

(INSTITUTION)

(SIGNATURE)

Mary Stephens

(NAME)

Executive Director

(TITLE)

9/17/09

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Wallace Chan

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

September 10, 2009

(DATE) 0171

HHS REPRESENTATIVE: Helen Fung

Telephone: (415) 437-7820

SECTION 4 – POST-AWARD ADMINISTRATION

Policy Sequence 4-100.1
Charging Expenditures on Sponsored Projects

This Policy and Procedure replaces the following Foundation Policies:

1. Policy #3-040.1 (Charging Expenses)
2. Policy #4-000.1 (Equipment, Foreign Travel, Domestic Travel, Stipends and Tuition)
3. Policy #4-090.1 paragraph 2 (determining allowability when closing an account)
4. Policy #13-000.1 (Financial Transactions Allowability)
5. G&C Internal Policy GC-0018 (Determining Reasonableness, Allocability and Allowability of Costs)

Policy

The Office of Management and Budget (OMB) Circular A-21 establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The Project Director (PD) has primary responsibility for understanding what costs are allowable on sponsored projects and determining if costs should be directly charged to a project or considered indirect costs and charged to the appropriate unrestricted account. The PD is also responsible for using funds in a manner consistent with Federal, Sponsor, Foundation, and University regulations. All direct charges to sponsored projects must adhere to the principles of cost allowability, allocability, and reasonability and must be consistently applied in like circumstances.

Adherence to this policy and procedure is necessary to prevent cost disallowances and penalties by the federal government and other sponsoring agencies.

Procedure

Through the OMB Circulars, the federal government has established policies for the types of costs it will (allowable) and will not (unallowable) reimburse on sponsored projects. The government identifies allowable costs as either **direct** or **indirect** costs. **Direct costs** are costs that can be identified specifically with a particular sponsored project, an instructional activity or any other institutional activity, or that can be directly assigned to activities with relative ease and a high degree of accuracy. These costs can be directly charged to a sponsored project. **Indirect costs** are costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. Indirect costs are reimbursed through the Facilities and Administrative (F&A) rate, this rate is charged to the sponsor based on the Modified Total Direct Costs (MTDC) of each sponsored project.

This procedure establishes the guidelines for determining direct, indirect, and unallowable costs. It is the responsibility of the PD to understand these guidelines and to ensure that costs are appropriately and consistently applied to sponsored projects. The Grants and Contracts Office (GCO) at the Foundation is responsible for reviewing and approving costs that are directly charged to a sponsored project and to ensure that they are compliant with the following guidelines. The GCO should also be a resource to PDs when further clarification is needed for how costs should be charged to sponsored projects.

1. Charging of Direct Costs to Sponsored Agreements

A. Allowable Direct Costs

Direct costs charged to sponsored awards must be:

- (1) **Reasonable** and necessary for meeting the objectives of the project.
- (2) **Allowable** according to the terms and conditions of the award and in accordance with OMB Circular A-21.J. For example, alcoholic beverages are not allowed on sponsored projects. Please see section C for more detail on unallowable costs.
- (3) **Allocable** with relative ease to a specific activity or project or multiple projects based on its relative benefit to the project or projects. If costs are to be allocated between multiple projects, there must be supporting documentation of how the costs were allocated between the projects. If the benefit is spread over multiple projects and it is difficult to identify the direct benefit to each project with relative ease, the cost must be considered an indirect cost.
- (4) **Consistent** with costs charged in similar circumstances to other Foundation activities.
- (5) **Available** within the budget of the award.

The following illustrates typical direct cost charges on sponsored awards and further defines the circumstances for which they can be charged. All transactions must adhere to the Foundation Purchasing and Accounts Payable Policies and Procedures as described respectively in Sections 14 and 15 of this manual. The PD is responsible for ensuring that costs requested to be approved by the Grants and Contracts Administrator (GCA) meet the criteria of an allowable direct cost. The GCA is responsible for reviewing these costs and approving only those that fully meet the criteria.

Salaries and Wages

Salaries, wages, and fringe benefits are allowable as direct charges on sponsored projects as long as the charges reflect the actual work performed and directly benefit the sponsored agreement. Effort Certification was created to comply with federal regulations that require exempt staff at CSULB to participate in after-the-fact documentation to certify the effort expended on federal projects match the amount charged to those federal projects. Please reference the Effort Reporting Policy #4-160.1 (under revision) for more information on the effort reporting procedure.

Consultant Services

These services are provided to advance a specific portion of the project's scope of work. The provider may be either a member of a profession or a person possessing a special skill; he or she generally cannot be on the regular Foundation or University payroll. Agencies vary in their requirements for approval of consultants. When consultant services are not in the awarded budget, refer to the agency guidelines for their specific requirements. Some agencies may require advance approval. Most agencies approve the use of consultants if the person(s) to be utilized, their area of expertise, and the anticipated costs of their services are included in the awarded budget. However, even when this information is included in the awarded budget, the consultation must be approved and documented in accordance with Section 7 - Engagement of Independent Contractors.

Subcontracts

Subcontract agreements specified in the awarded budget are allowed to be directly charged to a sponsored project. If a subcontract is not in the awarded budget, refer to the agency guidelines for their specific requirements. To determine if the costs charged on subrecipient invoices are allowable, please reference the Subrecipient Invoice Review Policy and Procedure #4-150.1.

Equipment

As defined in the Foundation's Disclosure Statement, special purpose equipment which will be used specifically for the benefit of the sponsored project, may be charged directly to the sponsored project depending on the agency specific guidelines. General equipment, such as copiers and computers for use on multiple projects, should not be charged directly to a sponsored project since general purpose equipment is included as part of the costs reimbursed through the F&A rate.

If an equipment purchase is specified in the awarded budget, further approval is generally not required. If the approved budget does not include equipment, most agencies require prior approval. Refer to Re-Budgeting Policy #4-170.1 and No-Cost Extensions Policy #4-180.1, for further guidance.

The PD and the Foundation must maintain documentation regarding the status, condition, and location of equipment purchased. To meet the requirements of OMB Circular A-110, the Foundation has implemented the fixed asset module of the financial accounting system and conducts an equipment inventory.

Postage, Photocopies & Supplies

These expenses can be directly charged to a sponsored project only if it can be documented that there is a direct benefit to the project. For example, if research journals are being copied for general research usage in a department and not for the direct benefit of a specific project, the photocopy expense should be charged as an indirect cost, i.e. the expense should be charged to an indirect return account. If the costs are being allocated to several accounts, documentation of and justification for the method of allocation must be attached to the approved invoice from the University.

Telephone Expenses

In general, only telecommunication costs associated with a specific project can be charged to the relevant sponsored account. Records documenting the appropriateness of transferring these charges from the originally billed account to the sponsored accounts must be attached to the invoice coded for payment. If a telephone has been installed for the sole use of a particular grant or contract activity (e.g. if conducting a phone survey is an objective of the project) and it will be removed when the project terminates, monthly service, message units, and non-toll charges can be charged to the sponsored project. All other telephone expenses should be charged as indirect costs.

Long distance charges can be direct charges to a sponsored project if the call was a direct benefit to the project.

Travel

Travel costs, which include transportation, lodging, per diem, and incidentals, that are included in the awarded budget require no further approval and can be directly charged to a sponsored project as long as they are within the travel guidelines detailed in Section 16- Travel and in accordance with applicable sponsor guidelines. If travel costs exceed the budgeted amount or if travel was not included in the awarded budget, refer to the specific agency guidelines regarding the allowability of travel. Some agencies require prior approval.

Travelers on federally sponsored trips must travel coach class on U.S. flag carriers, unless that option is not available. Call the GCA of your project prior to booking a flight on non-U.S. flag carriers.

Scholarships, Tuition and Stipends

Stipend and Tuition costs can be directly charged to a project at the rate defined in the approved budget and as defined within the guidelines detailed in Section 15 - Accounts Payable. Any changes in stipend and/or tuition rates require sponsor approval. If the approved budget does not include stipends or tuition, most agencies require prior approval. Contact your GCA for further guidance.

B. Charging Indirect-type Costs as Direct Costs

There are times when it is allowable to charge costs directly to a grant that are normally considered indirect costs. The justification of these costs must be documented and approved by the GCA. The OMB Circular A-21 Section F part 6 states that “Direct charging of (normally treated F&A costs) may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with a project or activity.” Examples that illustrate these circumstances are as follows:

- (1) Large, complex programs, such as research centers, institutes, and other sponsored agreements that entail assembling and managing teams of investigators.
- (2) Projects that require extensive data collection, accumulation, analysis, and/or cataloging.
- (3) Projects that require preparation and production of manuals, large reports, and books to meet the objectives of a specific sponsored project.
- (4) Projects designated as off-campus and are charged the off-campus F&A rate. For example, rent and utilities costs can be directly charged to off-campus projects.

See below for costs typically considered indirect costs.

C. Unacceptable Direct Charging Practices

The following practices are inappropriate for charging direct costs to a sponsored project:

- (1) Assigning costs to projects in order to resolve an excess balance available on an project, this includes:
 - Assigning large equipment expenditures at the end of a project.
 - Increasing salary expenses on a project with an available balance when it is not consistent with the actual effort expended.
- (2) Charging an expense exclusively to one award when the expense was used to support other activities.
- (3) Assigning expenses to a project that is not identifiable to a specific item or service.
- (4) Assigning charges to an award before the cost is actually incurred.
- (5) Assigning charges that are part of the normal administrative support for awards (e.g., proposal preparation, accounting, and payroll).

2. Charging of Indirect Costs to Sponsored Agreements

Federal Sponsors agree to reimburse institutions for indirect costs incurred to support sponsored projects through the federally negotiated F&A rate applied to the modified direct costs of each award. This rate is calculated by determining the allowable costs CSULB bears to support sponsored funding that are not directly charged to a sponsored project. These costs are allocated within the following categories that are summarized in OMB Circular A-21:

A-21 Category	Typical Indirect Costs
General & Administrative	The costs of operating institutional wide financial and general management, budget and planning, personnel management, payroll, and academic affairs.
Department Administration	Departmental secretarial and clerical staffs, administrative officers, deans and assistants, office supplies, and other office materials.
Sponsored Projects Administration	Expenses incurred in the office of grant and contract administration as well as editing and publishing of project or research reports
Building Depreciation	Depreciation on University or Foundation owned buildings over its useful life
Equipment Depreciation	Depreciation on the equipment purchased from unrestricted funds
Interest Expense	All interest expenses incurred
Operations & Maintenance	Facilities management expenses, janitorial and utility services, repairs and ordinary alterations of the physical plant and maintenance and operation of buildings.
Libraries	Central library services

Sponsors pay for indirect cost through the application of the F&A rate. If a cost is included as an indirect cost in the F&A rate calculation and is directly charged to a sponsored project, the sponsor will be inappropriately charged twice for the cost. To prevent this from occurring, the following is a guideline of costs that are normally considered indirect costs and should not be charged directly to sponsored projects:

- A. Salaries of administrative and clerical staff for activities such as:
- Accounting and budgeting activities
 - Filing
 - General department administration
 - Grants and contracts administration
 - Maintaining databases
 - Processing and tracking routine purchase orders
 - Routine travel planning
 - Routine data entry

- B. Office supplies such as:
 - o Binders
 - o Business cards
 - o Copy paper
 - o Envelopes
 - o File folders and labels
 - o Postage for general use
- C. Local Telephone costs and equipment
- D. Rent and other Utilities
- E. General use supplies or equipment such as:
 - o Word processing software
 - o Computers, laptops, or handheld computers
 - o Pagers or cell phones

Please see the above section B. Charging Indirect-type Costs as Direct Costs for examples of when it is appropriate to charge these costs directly to an award.

3. Unallowable Costs

There are certain costs that cannot be charged to a sponsored project, either directly or indirectly. These costs are listed in the OMB Circular A-21, Section J and include costs such as:

- A. Alumni activities
- B. Development and fund raising
- C. Entertainment
- D. Lobbying
- E. Defense or prosecution of criminal or civil proceedings
- F. Selling or marketing activities

Please refer to OMB A-21, Section J for a complete list of unallowable costs. PDs are responsible for ensuring that these costs are not charged directly to a sponsored project.

References/Applicable Guidelines

OMB Circular A-21

GSA (General Services Adm.) Domestic Travel Per Diem Rate Table

GSA Domestic Per Diem Rates Meals and Incidental Expense (M&IE) Breakdown

GSA International Travel Per Diem Rate Table

GSA Privately Owned Vehicle Reimbursement Rate (Mileage)

State of California – DPA (Dept. of Personnel Adm.) Short-Term Travel Guidelines

Forms

Link to Quick Reference Attachment I

WIA YOUTH ACADEMY PROJECT 2010-2012

PROGRAM/BUDGET PLANNING SUMMARY

In-School Program Out-of-School Program

Subcontractor: CFUB
 Program Name: Upward Bound

Total youth to be served: 30

I. Enrollments	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Cum. Total	
A. New participants per month			10	10	10																				30	
II. Performance Measures																										
A. Post Assessment																										
1. Basic Skills				10	10	10																				30
B. Skill Attainment																										
1. Basic Skills						30																				30
2. Occupational Skills												30														30
3. Work Readiness					10	10	10																			30
C. Certificate Attainment																										
1. High School Diploma or GED																										30
2. Nationally Recognized Certificate												30														30
D. Exit																										30
1. Post Secondary Education																25										25
2. Advanced/Occupational Skills Training												30														30
3. Employment/Military															5											5
E. Follow Up (1st qtr after exit)																										30
1. Post Secondary Education																										25
2. Advanced/Occupational Skills Training																										30
3. Employment/Military																										5
III. Exits																										
A. Exits per month																30										30

See Revised Sections I - III

IV. Budget Summary

INSTRUCTIONS FOR COMPLETING THIS SECTION

When completing, please consider the following guidelines:

Tracking costs are based on a monthly and quarterly basis

Based upon your approved budget, plot your planned expenses in the month you anticipate they will occur

Each month should show monthly expected costs and the year to date (YTD) should be cumulative

Reviewed by Program/Development Division:

Reviewed by Operations Division:

JULY '10	AUG '10	SEP '10	1ST QTR	OCT '10	NOV '10	DEC '10	2ND QTR	JAN '11	FEB '11	MAR '11	3RD QTR	APR '11	MAY '11	JUN '11	4TH QTR	YTD
\$3,453.10	\$3,453.10	\$3,453.10	\$ 10,359.30	\$ 3,453.10	\$5,514.80	\$3,602.84	\$ 12,570.74	\$3,453.10	\$3,453.10	\$3,453.10	\$ 10,359.30	\$3,453.10	\$4,436.37	\$3,453.10	\$ 11,342.57	\$ 44,631.91

JULY '11	AUG '11	SEP '11	1ST QTR	OCT '11	NOV '11	DEC '11	2ND QTR	JAN '12	FEB '12	MAR '12	3RD QTR	APR '12	MAY '12	JUN '12	4TH QTR	YTD
\$3,453.10	\$4,616.39	\$5,203.10	\$ 13,272.59	\$ 3,836.90	\$3,453.10	\$4,086.90	\$ 11,376.90	\$3,453.10	\$3,453.10	\$3,453.10	\$ 10,359.30	\$3,453.10	\$3,453.10	\$3,453.10	\$ 10,359.30	\$ 45,368.09

WIA YOUTH ACADEMY PROJECT 2010-2012
PROGRAM PLANNING SUMMARY (STATEMENT OF WORK - EXHIBIT D)

In-School Program Out-of-School Program

Subcontractor: CFUB Total youth to be served: 30
 Program Name: Upward Bound Region 1 Region 2 State Measures

I. Enrollments	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Cum. Total
	10	10	10	10	10	10	11	11	11	11	11	11	11	11	11	11	11	11	12	12	12	12	12	12	
New participants per month			0	20	10																			30	
II. Skill Attainment/Completion																									
1. Basic Skills						30																			30
2. National Work Readiness Credential					10	10	10																		30
3. Occupational Skills												30													30
III. Certificate Attainment																									
1. Industry-Recognized Certificate												30													30
2. High School Diploma or GED												30													30
IV. Exit																									
1. Exits																									30
V. Placement																									
1. Employment																									5
2. Post Secondary Education																									25
3. Advanced Skills Training																									0
4. Occupational Skills Training																									0
5. Military																									0
VI. Follow Up																									
1. Employment																									5
2. Post Secondary Education																									25
3. Advanced Skills Training																									5
4. Occupational Skills Training																									25
5. Military																									5

Jul 10- Sep 10	Oct 10- Dec 10	Jan 11- Mar 11	Apr 11- Jun 11	Jul 11- Sep 11	Oct 11- Dec 11	Jan 12- Mar 12	Apr 12- Jun 12	Jul 12- Sep 12
Program Services				Complete Prg Services Exit Quarter	1st Qtr After Exit	2nd Qtr After Exit	3rd Qtr After Exit	4th Qtr After Exit
Program Services				Basic Skills Attainment Clock Ends Within one year of initial Date Set or prior to Exit, whichever comes first	1st Qtr Follow-up 'Employment, Post Secondary, Military or Advanced Training	2nd Quarter Follow Up Period	3rd Quarter Follow Up Period	4th Quarter Follow Up Period
Basic Skills Assessmt 30 days after Enrollment Clock Begins (Date Set)							State Measures	
1 Outreach and Recruitment							Industry Recognized Certificate	
2 Certification and Enrollment							Employment, Post Secondary, Military or Advance Training	
3 Skill Attainment Assessmnt								
4 Skill Attainment Post Assessment (Up to 1 year from enrollment)								
5 Workreadiness -National Work Readiness Credential								
6 Occupational Skills Training - Certificate of Completion								

REC. RVF
 AW