

CONTRACT

34270

THIS CONTRACT ("Contract") is entered into, in duplicate, effective as of March 24, 2016, for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on February 10, 2015, by and between CALIFORNIA MANUFACTURING TECHNOLOGY CONSULTING, a California corporation with offices located at 690 Knox Street, Suite 200, Torrance, California 90502 ("Contractor") and the CITY OF LONG BEACH, a municipal corporation ("City") and administering entity for Pacific Gateway Workforce Investment Network.

WHEREAS, Congress reauthorized the Workforce Investment Act of 1998 on July 22, 2014 as the "Workforce Innovation and Opportunity Act (WIOA)" to provide workforce investment activities, through statewide and local workforce investment systems such as Pacific Gateway Workforce Investment Network (PGWIN), administered by the City of Long Beach; and

WHEREAS, City submitted an application to the Department of Defense through the Office of Economic Adjustment for funds to augment PGWIN's various workforce development services and activities (the "Application"); and

WHEREAS, the Application was approved by the Department of Defense and a grant agreement has been executed by and between the Department of Defense and the City authorizing such programs and providing the funding therefore under the grant agreement which has been designated as CR1517-15-01 CFDA No. 12._611 the ("Prime Contract"); and

WHEREAS, 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; and

WHEREAS, City is willing to utilize Contractor to provide various workforce development services;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and

conditions in this Agreement, the parties agree as follows:

1. DOCUMENT INCORPORATION.

A. The following documents are attached hereto as exhibits and incorporated herein and made a part hereof by this reference as if fully set forth:

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

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

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

C. Contractor hereby agrees to assume full responsibility for the performance of the operation, coordination and administration of such program pursuant to all the terms and conditions of the exhibits to the extent that said documents are applicable to the delivery of services by Contractor hereunder; and the parties hereto agree to perform all duties, obligations and tasks to be performed by each party under the Contract Documents.

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

Contractor shall conduct training and employment activities in accordance

1 with the provisions of the Contract Documents.

2 2. TERM.

3 A. The term of this Contract ("Term") shall be deemed to have
4 commenced as of April 1, 2016, and unless sooner terminated pursuant to the
5 provisions hereof, shall terminate on March 31, 2017. Either of the parties hereto
6 shall have the right to terminate this Contract in its entirety at any time during the
7 Term for any or no reason whatsoever by giving fifteen (15) days prior written notice
8 of termination to the other party. City shall have the additional right to cancel any
9 part of this Contract at any time during the Term for any reason whatsoever by giving
10 fifteen (15) days' notice of such cancellation to the Contractor.

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

20 3. AWARD UNDER SPECIAL CONDITIONS. The City may award a
21 contract under special conditions if it determines the Contractor as "high risk" under the
22 following categories:

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

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

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

14 4. PERFORMANCE REVIEW.

15 A. After each quarter during the Term, the City will conduct a
16 review of Contractor's performance by comparing the Contractor's planned
17 performance and/or contract earning levels with the actual performance and
18 contract earning levels achieved by Contractor. If the Contractor is ten percent
19 (10%) or more below their planned total at the end of the first quarter or any quarter
20 thereafter, the City has the right to unilaterally cancel the contract or de-obligate
21 funds up to the amount of the under expenditure or underperformance.
22 Alternatively, upon review and approval of the City, Contractor may be allowed to
23 submit a corrective action plan demonstrating that program performance is
24 attainable and expenditure levels can be met. At the discretion of the City,
25 Contractor may be allowed to continue program services.

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

up to the amount of the underexpenditures.

5. CONTRACT AMOUNT AND PAYMENT.

A. The total amount which shall be payable by City to Contractor for Contractor's allowable services during the Term shall not exceed Four Hundred Twenty Thousand Dollars (\$420,000).

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

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

D. Contractor shall not charge nor receive compensation under this Contract for any services or expenses unless said services or expenses are

1 directly and exclusively related to the purposes of this Contract, and provided that
2 payment is not also received by Contractor from some other source for said services
3 or expenses.

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

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

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

25 6. RECORDS.

26 A. Records relating to the performance of this Contract shall be
27 kept and maintained by Contractor in accordance with the manner and method
28 prescribed by applicable State regulations and guidelines and City requirements,

1 and will be current, complete and available for purposes of inspection and audit
2 during business hours as deemed necessary upon request by representatives of
3 federal, state and local agencies.

4 B. Contractor shall provide access to all documents and materials
5 related to this Contract and shall provide any information that the City, or its
6 designee requires in order to monitor and evaluate Contractor's performance
7 hereunder. All such records shall be maintained and accessible for a period of
8 seven (7) years from the expiration or earlier termination of this Contract.

9 7. FINANCIAL REPORTS.

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

23 B. If the Contractor is subject to the Single Audit Act (SAA), the
24 Contractor shall include this Contract within the scope of the SAA audit. A copy of
25 the SAA final audit report shall be delivered by Contractor to the City of Long Beach
26 within thirty (30) calendar days after its request and, in any event, no later than six
27 (6) months after the end of the then-current fiscal year of Contractor. In the event
28 the Contractor fails to comply with this requirement, the Contractor shall be liable

for any costs incurred by City for a substitute audit or review.

8. ACCOUNTING PROCEDURES.

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

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

i. Maintain a bank account and perform monthly bank reconciliations.

(a) Deposit all receipts in the bank account promptly and intact.

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

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

(d) Disburse all funds by check, preferably signed or

1 approved electronically by two (2) employees, neither of whom is the
2 bookkeeper or the accounting clerk.

3 ii. Designate specific employees to perform each of the
4 following functions:

5 (a) Receipt for goods and services provided to
6 Contractor.

7 (b) Approve the purchase of goods and services for
8 Contractor.

9 (c) Approve employee time sheets.

10 (d) Each above function shall be designated to a
11 different employee.

12 iii. Maintain documented support for every check written
13 which should include:

14 (a) Original invoice from each vendor.

15 (b) Indication by signature and date of an authorized
16 employee that the goods or services were received by the Contractor.
17 This may be done on a separate receiving report, a copy of a packing
18 slip or on the invoice itself.

19 (c) Indication that the goods or services were
20 approved for purchase by an authorized individual. This should be by
21 signature and date and should appear on the invoice or on the
22 purchase order or purchase requisition, if such is used by the
23 Contractor.

24 iv. Maintain a copy of each invoice submitted to the
25 Operations Division with copies of all supporting documents.

26 v. Maintain the following records in an orderly fashion by
27 grant period or Contractor's fiscal year:

28 (a) Bank statements and bank reconciliations.

(b) Deposit slips and supports.

(c) Checks and supports.

(d) Time sheets or documentation to verify Contractor's labor costs.

(e) Cash receipts and cash disbursement journals.

(f) Requests for reimbursement and supports.

(g) Financial statements.

(h) Maintain and file all required tax and personnel reports with appropriate agencies.

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

C. All invoices and billings will be considered final and must be submitted within forty-five (45) calendar days from the end of the Term. Resolution of disputed matters must be resubmitted within fifteen (15) calendar days from date mailed to Contractor. City, in its sole discretion, may elect not to pay any invoices or billings submitted after the cut-off date, or if funding is no longer available.

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

1 privileges or benefits of a City or Network employee.

2 10. ASSIGNMENT AND SUBCONTRACTING. This Agreement
3 contemplates the personal services of Contractor and Contractor's employees, and the
4 parties acknowledge that a substantial inducement to City for entering this Agreement was
5 and is the professional reputation and competence of Contractor and Contractor's
6 employees. Contractor shall not assign its rights or delegate its duties under this
7 Agreement, or any interest in this Agreement, or any portion of it, without the prior approval
8 of City, except that Contractor may with the prior approval of the City Manager of City,
9 assign any moneys due or to become due the Contractor under this Agreement. Any
10 attempted assignment or delegation shall be void, and any assignee or delegate shall
11 acquire no right or interest by reason of an attempted assignment or delegation.
12 Furthermore, Contractor shall not subcontract any portion of its performance without the
13 prior approval of the City Manager or designee, or substitute an approved subconsultant
14 or contractor without approval prior to the substitution. Nothing stated in this Section shall
15 prevent Contractor from employing as many employees as Contractor deems necessary
16 for performance of this Agreement.

17 11. INDEMNITY.

18 A. Contractor shall indemnify, protect and hold harmless City, its
19 Boards, Commissions, and their officials, employees and agents ("Indemnified
20 Parties"), from and against any and all liability, claims, demands, damage, loss,
21 obligations, causes of action, proceedings, awards, fines, judgments, penalties,
22 costs and expenses, including attorneys' fees, court costs, expert and witness fees,
23 and other costs and fees of litigation, arising or alleged to have arisen, in whole or
24 in part, out of or in connection with (1) Contractor's breach or failure to comply with
25 any of its obligations contained in this Agreement, including any obligations arising
26 from the Project's compliance with or failure to comply with applicable laws,
27 including all applicable federal and state labor requirements including, without
28 limitation, the requirements of California Labor Code section 1770 *et seq.* or (2)

negligent or willful acts, errors, omissions or misrepresentations committed by Contractor, its officers, employees, agents, subcontractors, or anyone under Contractor's control, in the performance of work or services under this Agreement (collectively "Claims" or individually "Claim").

B. In addition to Contractor's duty to indemnify, Contractor shall have a separate and wholly independent duty to defend Indemnified Parties at Contractor's expense by legal counsel approved by City, from and against all Claims, and shall continue this defense until the Claims are resolved, whether by settlement, judgment or otherwise. No finding or judgment of negligence, fault, breach, or the like on the part of Contractor shall be required for the duty to defend to arise. City shall notify Contractor of any Claim, shall tender the defense of the Claim to Contractor, and shall assist Contractor, as may be reasonably requested, in the defense.

C. If a court of competent jurisdiction determines that a Claim was caused by the sole negligence or willful misconduct of Indemnified Parties, Contractor's costs of defense and indemnity shall be (1) reimbursed in full if the court determines sole negligence by the Indemnified Parties, or (2) reduced by the percentage of willful misconduct attributed by the court to the Indemnified Parties.

D. The provisions of this Section shall survive the expiration or termination of this Agreement.

12. EMPLOYMENT TRAINING ACT CLAUSES. Contractor shall administer contract within the policies and procedures mandated by the Workforce Investment Act of 1998, subsequently reauthorized as Workforce Innovation and Opportunity Act, and the Network and agrees to comply with the following contract clauses, as applicable, during the duration of the contract period:

A. Compliance with requirements 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 Byrd Anti-Lobbying Amendment;
- I. Veteran's Priority Provisions;
- J. Whistle Blower Protection;
- K. Buy American Requirements.

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").

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

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

D. Accidental Medical, Death and Dismemberment Insurance for all participants not entitled to workers' compensation benefits under the provisions of Section

1 3700 of the Labor Code of the State of California, unless this requirement has been waived
2 in writing by the Risk Manager. Said insurance shall have limits of not less than One
3 Hundred Thousand Dollars (\$100,000.00) Accident Medical and Twenty-Five Thousand
4 Dollars (\$25,000.00) Accidental Death and Dismemberment.

5 E. Blanket Honesty or Comprehensive Crime Bond in an amount of fifty
6 percent (50%) of sums payable under this Contract, or Twenty-Five Thousand Dollars
7 (\$25,000.00), whichever is higher, to safeguard the proper handling of funds by those
8 employee's agents or representatives of the Contractor who sign as the maker of checks
9 or drafts or in any manner authorize the disbursement or expenditure of said funds.

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

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

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

1 policy.

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

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

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

- 11 i. The dangers of drug abuse in the workplace,
12 ii. The person's or organization's policy of maintaining a
13 drug-free workplace;
14 iii. Any available counseling, rehabilitation and employee
15 assistance programs, and
16 iv. Penalties that may be imposed upon employees for drug
17 abuse violations.

18 C. Ensuring that every employee who provides services under this
19 Contract:

- 20 i. Will receive a copy of Contractor's drug-free policy
21 statement, and
22 ii. Will agree to abide by the terms of Contractor's
23 statement as a condition of employment on this Contract:

24 D. Payments due Contractor may be subject to suspension or
25 termination for failure to carry out the requirements of Government Code Sections
26 8350 et seq. and 29 CFR Part 98, Debarment and Suspension; Drug Free
27 Workplace. As provided in Government Code Section 8357, the City shall not be
28 required to ensure that Contractor provides a drug-free workplace.

15. NONDISCRIMINATION.

A. In connection with performance of this Agreement and subject to applicable rules and regulations, Contractor shall not discriminate against any employee or applicant for employment because of race, religion, national origin, color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap, or disability. Contractor shall ensure that applicants are employed, and that employees are treated during their employment, without regard to these bases. These actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

B. It is the policy of City to encourage the participation of Disadvantaged, Minority and Women-owned Business Enterprises in City's procurement process, and Contractor agrees to use its best efforts to carry out this policy in its use of subconsultants and contractors to the fullest extent consistent with the efficient performance of this Agreement. Contractor may rely on written representations by subconsultants and contractors regarding their status. Contractor shall report to City in May and in December or, in the case of short-term agreements, prior to invoicing for final payment, the names of all subconsultants and contractors hired by Contractor for this Project and information on whether or not they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

16. EQUAL BENEFITS ORDINANCE. Unless otherwise exempted in accordance with the provisions of the Ordinance, this Agreement is subject to the applicable provisions of the Equal Benefits Ordinance (EBO), section 2.73 et seq. of the Long Beach Municipal Code, as amended from time to time.

A. During the performance of this Agreement, the Contractor certifies and represents that the Contractor will comply with the EBO. The Contractor agrees to post the following statement in conspicuous places at its place

1 of business available to employees and applicants for employment:

2 "During the performance of a contract with the City of Long Beach, the
3 Contractor will provide equal benefits to employees with spouses and its employees
4 with domestic partners. Additional information about the City of Long Beach's Equal
5 Benefits Ordinance may be obtained from the City of Long Beach Business Services
6 Division at 562-570-6200."

7 B. The failure of the Contractor to comply with the EBO will be
8 deemed to be a material breach of the Agreement by the City.

9 C. If the Contractor fails to comply with the EBO, the City may
10 cancel, terminate or suspend the Agreement, in whole or in part, and monies due or
11 to become due under the Agreement may be retained by the City. The City may
12 also pursue any and all other remedies at law or in equity for any breach.

13 D. Failure to comply with the EBO may be used as evidence
14 against the Contractor in actions taken pursuant to the provisions of Long Beach
15 Municipal Code 2.93 et seq., Contractor Responsibility.

16 E. If the City determines that the Contractor has set up or used its
17 contracting entity for the purpose of evading the intent of the EBO, the City may
18 terminate the Agreement on behalf of the City. Violation of this provision may be
19 used as evidence against the Contractor in actions taken pursuant to the provisions
20 of Long Beach Municipal Code section 2.93 et seq., Contractor Responsibility.

21 17. CONFIDENTIALITY.

22 A. Contractor shall keep confidential all financial, operations, and
23 performance records relating to its performance of this Contract ("Data") and shall
24 not disclosed the Data or use the Data directly or indirectly other than in the course
25 of services provided hereunder. The obligation of confidentiality shall continue
26 following expiration or earlier termination of this Contract. In addition, Contractor
27 shall keep confidential all information, whether written or oral, or visual, obtained by
28 any means whatsoever in the course of Contractor's performance hereunder for the

1 same period of time. Contractor shall not disclose Data to any third party, nor use it
2 for Contractor's own benefit or the benefit of others without first obtaining the prior
3 written authorization and consent of the City.

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

10 18. BREACH OF CONFIDENTIALITY. Contractor shall not be liable for a
11 breach of confidentiality with respect to Data that:

12 A. Contractor demonstrates Contractor knew prior to the time City
13 disclosed it; or

14 B. Is or becomes publicly available without breach of this Contract
15 by Contractor; or

16 C. A third party who has a right to disclose such information does
17 so to Contractor without restrictions on further disclosure; or

18 D. Must be disclosed pursuant to subpoena, court order, state or
19 federal WIA rules and regulations, federal Department of Labor rules and
20 regulations, or the rules and regulations of any other governmental agency having
21 jurisdiction over WIA administration.

22 19. NOTICES. Any notice or approval required by this Agreement shall
23 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
24 postage prepaid, addressed to Consultant at the address first stated above, and to the City
25 at 333 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager with a
26 copy to the Pacific Gateway's Executive Director at 3447 Atlantic Avenue, Long Beach, CA
27 90806. Notice of change of address shall be given in the same manner as stated for other
28 notices. Notice shall be deemed given on the date deposited in the mail or on the date

1 personal delivery is made, whichever occurs first.

2 20. CONTRACT ADMINISTRATION. The City Manager, or designee, is
3 authorized and directed, for and on behalf of the City, to administer this Contract and all
4 related matters, and any decision of the City Manager, or his designee, in connection
5 herewith shall be final.

6 21. CORPORATE STATUS. If the Contractor is a corporation, Contractor
7 shall, as a condition precedent to the effectiveness of this Contract, submit to City proof of
8 good standing of the corporate status.

9 22. ENTIRE AGREEMENT. This document fully expresses all
10 understandings of the parties concerning all matters covered and shall constitute the total
11 Agreement. Except for the adjustments of Exhibit "B" as provided in Section 5 hereof, no
12 addition to or alteration of the terms of this Contract whether by written or oral
13 understanding of the parties, their officers, agents or employees shall be valid unless made
14 in writing and formally adopted in the same manner as this Contract.

15 23. CAPTIONS AND ORGANIZATION. The various headings and
16 numbers herein and the grouping of the provisions of this Contract into separate Sections,
17 paragraphs and clauses are for the purpose of convenience only and shall not be
18 considered a part hereof, and shall have no effect on the construction or interpretation of
19 any part of this contract.

20 24. TAX REPORTING. As required by federal and state law, City is
21 obligated to and will report the payment of compensation to Contractor on Form 1099-Misc.
22 Contractor shall be solely responsible for payment of all federal and state taxes resulting
23 from payments under this Agreement. Contractor shall submit Contractor's Employer
24 Identification Number (EIN), or Contractor's Social Security Number if Contractor does not
25 have an EIN, in writing to City's Accounts Payable, Department of Financial Management.
26 Contractor acknowledges and agrees that City has no obligation to pay Contractor until
27 Contractor provides one of these numbers.

28 25. AUTHORIZATION TO EXECUTE. Contractor warrants and affirms to

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

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.

CALIFORNIA MANUFACTURING
TECHNOLOGY CONSULTING, a *non-profit* (u)
California corporation

April 20, 2016

By [Signature]
Name JAMES WATSON
Title PRESIDENT & CEO

April 20, 2016

By [Signature]
Name Robert WOOD
Title Controller

"Contractor"

CITY OF LONG BEACH, a municipal
corporation

May 23, 2016

By [Signature]
City Manager
Assistant City Manager
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

"City"

This Contract is approved as to form on May 5, 2016.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

EXHIBIT A

**OFFICE OF ECONOMIC ADJUSTMENT
DEPARTMENT OF DEFENSE**

**GRANT AGREEMENT
FOR
CITY OF LONG BEACH (DIA)**

I. NOTICE OF AWARD

This Agreement is between the City of Long Beach, California, the Grantee, and Department of Defense, through the Office of Economic Adjustment (OEA), the Grantor. The Grantee will undertake community economic adjustment activities as described in the Application for Federal Assistance, dated August 28, 2015, at the estimated cost of \$4,441,684, consisting of \$3,995,609 from the Grantor and \$446,075 from non-Grantor sources. By signing this agreement, the authorized organizational representative assures that the recipient will carry out the project/program described in its application and will comply with the terms and conditions and other requirements as specified below, of this award. The application for assistance, and the following terms and conditions and other requirements are incorporated in this award by reference with the same force and effect as if they were given in full text.

II. GRANTEE INFORMATION

- A. Grantee Name: City of Long Beach
- B. Grantee Address: 333 West Ocean Boulevard, Floor 13
Long Beach, CA 90802-4681
- C. Grantee DUNS Number: 557398141

III. GRANT AWARD DATA

- A. Project Title: City of Long Beach (DIA)
- B. Federal Award Identification Number (FAIN): HQ00051510052
- C. OEA Award Number: CR1517-15-01
- D. Project Period: June 1, 2015 – September 30, 2016
- E. Statutory authority for Grant: 10 U.S. Code § 2391
- F. This award is not for Research and Development, and is made under Catalog of Federal Domestic Assistance (CFDA) number 12.611, Community Economic Adjustment Assistance for Reductions in Defense Industry Employment.

IV. COMPLIANCE BY THE GRANTEE

The Grantee's actions under this Grant shall comply with the terms and conditions of this agreement, and all applicable Federal, State, interstate and local laws and regulations. This award is governed by the guidance in 2 Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," as modified and supplemented by the Department of Defense's (DoD) interim implementation found at 2 CFR Part 1103, "Interim Grants and Cooperative Agreements Implementation of Guidance in 2 CFR Part 200" (79 Federal Register 76047, December 19, 2014), all of which are incorporated herein by reference, and OEA's Terms and Conditions as stated in this award. All applicable Federal statutes and regulations are posted on OEA's website at www.oea.gov. OEA may suspend or terminate this Agreement in whole, or in part, if the Grantee materially fails to comply with any term or condition of this Agreement. The Grantee shall not incur new obligations for the terminated portions after receiving notice of the termination, and shall cancel as many outstanding obligations as possible. Additional enforcement remedies for non-compliance and termination provisions, in 2 CFR Part 200 apply to this award. The decision of the Grantor in interpreting the Terms and Conditions of this Agreement shall be final.

V. OEA GENERAL TERMS AND CONDITIONS

A. The scope of work contained in any solicitation and/or request for proposals must be reviewed and approved by OEA prior to issuance.

B. Personnel

- (1) The Grantor must approve or disapprove the selection of key personnel as identified in the application and/or this Agreement. Any new hires or changes in key personnel require prior written approval from the Grantor. Resumes, in sufficient detail to reveal the experience, education, and other general and specific qualifications for the position, must be submitted to the Grantor for its consent prior to approval of a candidate.
- (2) The Grantee agrees to comply with the requirements regarding support of salaries and wages in 2 CFR Part 200.430, "Compensation-personal services."

C. Prior Written Approval

The purpose and scope of this award is to undertake community economic adjustment activities as specified in the grant application. Any changes in the project/program described in the application to include those identified below require prior written approval from OEA in the form of an amendment request:

- (1) Changes in the specific activities described in the application.

- (2) Changes in key personnel as specified in the application and/or this agreement.
- (3) Changes in the scope of work contained in any solicitation and/or request for proposals.
- (4) Need for additional Federal funds or changes in the non-Federal match.
- (5) Budget reallocations that exceed 10 percent of the total budget among approved direct cost categories or are transferred to new budget line items.
- (6) Changes in indirect cost rates or recertification of expired indirect cost rates during the project period unless otherwise specified in this grant agreement.
- (7) Requests to purchase equipment (including software) with an estimated acquisition cost of more than \$5,000.
- (8) Requests to use Federal and/or non-Federal match funds for food and/or beverages in conjunction with meeting costs.

D. Grant Payments

- (1) A Standard Form (SF) 270, "Request for Advance or Reimbursement," shall be submitted when requesting funds. The first request for payment may be submitted electronically once you have signed the Grant Agreement.
- (2) All financial information on the SF 270 shall be shown as: Column (a)--Salaries and Benefits; Column (b)--Operating Expenses; Column (c)--Contracts.
- (3) Grant payments will be made by electronic funds transfer.
- (4) Grant funds for contractual services will be disbursed on a reimbursement basis only. Advances of up to 30 days may be requested for operational support. When Grant payments are cash advances, the amount requested will be limited to that actually required.
- (5) Grantee's payments to contractors/consultants shall be contingent upon the Grantee's acceptance of deliverables.
- (6) Requests for Federal funds (SF 270's) for final payment of consultant/contractor deliverables should be submitted to the Grantor after Grantee's acceptance of the deliverables.

E. Advance Payments

- (1) Any Grant funds advanced or paid and not needed for approved grant purposes shall be reported immediately to the Grantor. Grantees are to submit payments, including refunds or reimbursements, directly to the Grantor's Fiscal Agent, the Defense Finance and Accounting Service (DFAS) Cleveland through one of the following methods:

- (a) Via ACH with the following information:

Bank Name: Credit Gateway

RTN: 051036706

A/C: 220031

- (b) Via Wire with the following information:

Bank Name: US Treasury

City: New York, NY

Country: USA

RTN: 021030004

Swift: FRNYUS33FX1

Account Name: DFAS-Cleveland

Account Number: 00008522

- (2) The Grantor will not accept any paper checks or returned funds directly.

F. Grantee Contributions

Contributions to this project by non-Grantor sources are expected to be paid out at the same general rate as Grant funds.

G. Separate Bank/Fund Accounts

- (1) The Grantee is not required to establish a separate bank account but may do so. The Grantee, however, must maintain accounting records to adequately identify the source and application of Grant funds. Other considerations, such as Federal Deposit Insurance Corporation coverage, shall be in accordance with the provisions of 2 CFR Part 200.
- (2) Interest earned on Grant funds shall be reported to the Grantor and used to reduce the Federal share of this Grant. The Grantee may retain interest on any Grant funds not to exceed \$500 per year for administrative expenses. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of

the payee and nature of payment in the memo area (often referred to as “addenda records” by financial institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF, or another Federal Agency payment system. The remittance must be submitted as follows:

- (a) For ACH Returns:
Routing Number: 051036706
Account number: 303000
Bank Name and Location: Credit Gateway—ACH Receiver
St. Paul, MN
- (b) For Fedwire Returns*:
Routing Number: 021030004
Account number: 75010501
Bank Name and Location: Federal Reserve Bank Treas
NYC/Funds Transfer Division New York, NY
(*Please note organization initiating payment is likely to incur
a charge from your financial institution for this type of
payment)

H. Reimbursement for Travel

Reimbursement for travel (transportation, food, and lodging) in the performance of Grant activities shall be consistent with those normally allowed in like circumstances in the non-Federally sponsored activities of the Grantee. Grantees may follow their own established rate but any travel allowance policies in excess of Federal limits must receive prior approval from the Grantor.

I. Use of Consultants/Contractors

- (1) Procurement of consultant or contractor services shall be in accordance with all standards and procedures set forth in 2 CFR Part 200. The following terms are intended merely to highlight some of these standards and are, therefore, not inclusive.
- (2) All procurement transactions, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition.
- (3) Formal advertising, with adequate purchase description, sealed bids, and public openings, shall not be required for small purchase procurements that are less than the simplified acquisition threshold, currently set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 in accordance with 41 U.S.C.

1908 as \$150,000 unless otherwise required by State or local law or regulation. If small purchase procedures are used, price or rate quotations shall be obtained. Micro-purchases of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold currently set by the Federal Acquisition Regulation at \$3,000 may be used in order to expedite the completion of lowest-dollar small purchase transactions.

- (4) The Grantee shall maintain a code or standards of conduct which shall govern the performance of its officers, employees, or agents in contracting with and expending Federal Grant funds. Grantee's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from a contractor or potential contractors. To the extent permissible by State or local law, rules, or regulations, such standards shall provide for penalties, sanctions, or other disciplinary actions to be applied for violations of such standards by the Grantee's officers, employees, or agents, or by contractors.
- (5) The Grantee shall ensure that every consultant and every contractor it employs under the Grant complies with the terms of this Agreement as though the consultant or contractor were a party to this Agreement.
- (6) The Grantee is the responsible authority, without recourse to the Grantor, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of the Grant.

J. Contractor Deliverables

- (1) A disclaimer statement will appear on the title page of any study prepared under this Grant. It will read:

“This study was prepared under contract with the City of Long Beach, California, with financial support from the Office of Economic Adjustment, Department of Defense. The content reflects the views of the City of Long Beach, and does not necessarily reflect the views of the Office of Economic Adjustment.”
- (2) The contractor identification will appear on the title page of the study funded by this grant.
- (3) Any final study shall be submitted electronically. The document will be dated the month and year that it is submitted to the Grantor.

K. Post-Award Monitoring

(1) Grantee Reporting

- (a) The Grantee shall provide interim performance reports and a final performance report. The performance reports will contain information on the following:
 - (i) A comparison of actual accomplishments to the objectives established for the period.
 - (ii) The reasons for slippage if established objectives were not met.
 - (iii) Additional pertinent information when appropriate.
 - (iv) An accounting, by the budget line items approved for this project, of expenses incurred during the reporting period, including the amount of Grant funds on hand at the beginning and end, and non-Grantor share of contributions over the term.
 - (v) The final performance report must contain a summary of activities for the entire Grant period. All required deliverables should be submitted with the final performance report.
- (b) The final SF 425, "Federal Financial Report," shall be submitted to the Grantor within 90 days after the end date of the Grant. Any Grant funds actually advanced and not needed for Grant purposes shall be reported immediately to the Grantor and returned to the Grantor's Fiscal Agent in accordance with the guidance provided in Section V.E. of this Agreement.
- (c) The enclosed "Schedule of Reports" provides reporting periods and dates due for this award.

- (2) The Grantor reserves the right to conduct on-site reviews and/or off-site desk reviews to confirm compliance with programmatic and administrative terms and conditions.

L. Activities Prohibited

- (1) Duplication of Work: The purpose and scope of work for which this Agreement is made shall not duplicate programs for which moneys have been received, are committed, or are applied for from other sources, public or private. Upon request of the Grantor, the Grantee shall submit full information about related programs that will be initiated within the Grant period.

- (2) Other Funding Sources: Grantor's funds budgeted or granted for this program shall not be used to replace any financial support previously provided or assured from any other source.
- (3) Funds for Attorney/Consultant Fees: The Grantee hereby agrees that no funds made available from this Grant shall be used, directly or indirectly, for paying attorneys' or consultants' fees in connection with securing grants or other services provided by the Grantor, for example, preparing the application for this assistance. However, attorneys' and consultants' fees incurred for meeting this Agreement's requirements may be eligible project costs and may be paid out of funds made available from this Agreement provided such costs are otherwise eligible.
- (4) The Grantee is prohibited from using funds provided from this Grant or personnel employed in the administration of this program for political activities, sectarian or religious activities, lobbying, political patronage, or nepotism activities.
- (5) Grant funds may not be used for marketing or entertainment expenses.
- (6) Grant funds may not be used for capital assets, such as the purchase of vehicles, improvements and renovation of space, and repair and maintenance of privately owned vehicles.

M. Audits

- (1) The Grantee agrees to comply with audit requirements as specified in 2 CFR Part 200.
- (2) The Grantee shall ensure audits are properly performed, and furnish the required data collection forms and audit reporting packages to the Federal Audit Clearinghouse (FAC). The Grantee shall upload audit reports into the FAC through the Internet Data Entry System (IDES) at <https://harvester.census.gov/fac/collect/ddeindex.html#>.
- (3) The Grantee shall provide any audit with findings related to this award, with copies of the reporting package (including corrective action plans), management letters issued by an auditor, and audit working papers, to the Grantor.
- (4) The Grantor will seek to issue a management decision to the Grantee within six months of receipt of an audit report with findings, and the Grantee shall take timely and corrective action to comply with the management decision.
- (5) The Grantor reserves the right to conduct an independent follow-up audit.

N. Requirement to Post an Abstract

Pursuant to the requirements of Section 8123 of the Department of Defense Appropriations Act, 2015, the Grantee is hereby informed that the Office of Economic Adjustment is required to post a publicly releasable abstract statement that describes the project or program supported by this Grant, in terms that the public can understand, to a Department of Defense website. By signing this award agreement, the Grantee accepts this requirement and confirms OEA may publicly release and post an abstract obtained from the Grantee's grant application to a Department of Defense website.

VI. NATIONAL POLICY REQUIREMENTS

A. Debarment and Suspension

The Grantee agrees to comply with 2 CFR Parts 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement)," and 1125, "Department of Defense Non-procurement Debarment and Suspension." The Grantee also agrees to communicate the requirement to comply with Parts 180 and 1125 to entities and persons at the next lower tier with whom the recipient enters into transactions that are "covered transactions" under Parts 180 and 1125.

B. Drug-Free Workplace

The Grantee agrees to comply with Subpart B, "Requirements for Recipients Other Than Individuals," of 32 CFR Part 26, "Government-wide Requirements for Drug-Free Workplace (Financial Assistance)."

C. Hatch Act

The Grantee is advised that its employees may be subject to the Hatch Act (5 U.S.C. § 1501-1508). If doubt exists in particular cases, the Grantee should seek legal counsel.

D. Universal Identifier Requirements and Central Contractor Registration

The Grantee agrees to comply with the requirements of 2 CFR Part 25, as amended, "Universal Identifier and Central Contractor Registration." The System for Award Management (SAM) has replaced the CCR system.

E. Trafficking Victims Protection Act of 2000

The Grantee agrees to comply with the requirements of 2 CFR Part 175, "Award Term for Trafficking in Persons."

F. Reporting Sub-award and Executive Compensation Information

The Grantee agrees to comply with the requirements of 2 CFR Part 170, "Reporting Sub-award and Executive Compensation Information."

G. Restrictions on Lobbying

The Grantee agrees to comply with the requirements of 31 U.S.C. § 1352, "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions." Appropriated funds cannot be used to pay any person to influence or attempt to influence employees of any agency or Congress.

H. Links to the requirements referenced above as well as the full listing of all National Policy Requirements are provided on the OEA website at www.oea.gov.

I. Prohibition on Using Funds under Grants and Cooperative Agreements with Entities that Require Certain Internal Confidentiality Agreements

- (1) The Grantee may not require its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting them from lawfully reporting that fraud, waste, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.
- (2) The Grantee must notify its employees, contractors, or subrecipients that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph I.(a) of this award provision are no longer in effect.
- (3) The prohibition in paragraph I.(a) of this award provision does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information. If the Government determines that the Grantee is not in compliance with this award provision, it:
 - (a) Will prohibit the Grantee's use of funds under this award, in accordance with section 743 of Division E of the Consolidated and Further Continuing Resolution Appropriations Act, 2015, (Pub. L. 113-235) or any successor provision of law; and
 - (b) May pursue other remedies available for the Grantee's material failure to comply with award terms and conditions.

PROJECT SPECIFIC TERMS AND CONDITIONS

A. BUDGET

The approved budget for this grant award is as follows:

APPROVED BUDGET			
OBJECT CLASS CATEGORY	FEDERAL	NON-FEDERAL	TOTAL PROJECT COSTS
Personnel	\$303,820.00	\$124,876.00	\$428,696.00
Fringe Benefits	\$124,566.00	\$51,199.00	\$175,765.00
Travel	\$24,433.00	\$0	\$24,433.00
Equipment	\$0	\$0	\$0
Supplies	\$34,790.00	\$0	\$34,790.00
Contractual	\$3,489,000.00	\$270,000.00	\$3,759,000.00
Construction	\$0	\$0	\$0
Other	\$19,000.00	\$0	\$19,000.00
Total Direct Charges	\$3,995,609.00	\$446,075.00	\$4,441,684.00
Indirect Costs: ____% Base	\$0	\$0	\$0
Total Project Costs	\$3,995,609.00	\$446,075.00	\$4,441,684.00
Total Project Costs	90.0%	10.0%	100%
Program Income	\$0	\$0	\$0
Total	\$3,995,609.00	\$446,075.00	\$4,441,684.00

B. The Grantee assures that \$446,075 or 10 percent of the total project costs shall be contributed by non-Grantor sources.

C. The Grant period is from June 1, 2015, through September 30, 2016.

(1) Eligible costs incurred between June 1, 2015, and the date of this Agreement are allowable and reimbursable.

(2) Pre-award costs of \$4,645.00 are accepted for this award.

D. Business Relocation Provision

Funds provided under this award may not be used to directly identify or assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one Labor Market Area (LMA) to another if the relocation is likely to result in the loss of jobs in the LMA from which the relocation occurs.

THE TERMS OF THIS GRANT ARE AGREED TO BY:

Patrick O'Brien

Patrick J. O'Brien
Director
Office of Economic Adjustment

9/24/2015 7:52:55 PM

DATE

Nick Schultz - 9/28/2015 3:37:53 PM

Nick Schultz
Executive Director
City of Long Beach

9/28/2015 3:37:53 PM

DATE

Schedule of Reports
For
City of Long Beach (DIA)
FAIN: HQ00051510052

June 1, 2015 through September 30, 2016

<u>Interim Performance Reports</u>	<u>Due Date</u>
06/01/2015 through 12/31/2015	01/31/2016
01/01/2016 through 06/30/2016	07/30/2016
07/01/2016 through 09/30/2016	12/31/2016
 <u>Final Performance Report</u>	
06/01/2015 through 09/30/2016	12/31/2016
 <u>Final Federal Financial Report (SF 425)</u>	
06/01/2015 through 09/30/2016	12/31/2016
 <u>Deliverables</u>	
	12/31/2016

EXHIBIT B
SCOPE OF WORK
Workforce Development Services

CONTRACTOR: California Manufacturing Technology Consulting
(Hereinafter referred to as "Contractor")

TERM: April 1, 2016 – March 31, 2017

AMOUNT: Not to Exceed \$420,000

CFDA #'S: 12.611

ABSTRACT: Provide various workforce development services under RFP #HR 14-056 Workforce Development Services/Subject Matter Experts

A. SCOPE OF WORK

Under this agreement, California Manufacturing Technology Consulting (Contractor) may perform the following tasks. Pacific Gateway's Executive Director shall outline specific deliverables under the following areas:

RFP Section 3.5.6 Workforce Intermediary

Project management services related to short-term workforce investment projects; special grants, and/or business/economic development initiatives, which may include limited assistance in leading customer services or managing project implementation tasks for special projects and grants; facilitate specialized meetings/events around specific WIB strategies, labor market surveys, partner convenings, etc.; and/or broker connections with various employers, labor, trade and/or business organizations.

OTHER WORKFORCE DEVELOPMENT PROJECTS

Throughout the term of the contract, Pacific Gateway's Executive Director shall determine and coordinate with contractor specific deliverables expected to be included in the contractor's scope of work such as timeline, costs, and performance. These deliverables will be outlined on **Exhibit B.1**.

B. PROJECT PERFORMANCE REQUIREMENTS

Contractor must maintain documentations relative to the project activities. Contractor must submit to Pacific Gateway a summary of all project activities. If Contractor cannot fulfill the obligations of this agreement, Contractor must notify Pacific Gateway's Executive Director in writing immediately. Underperformance by the Contractor shall permit the City to unilaterally cancel this agreement or, in the alternative, de-obligate funds up to the amount of the under expenditure/underperformance.

C. TECHNICAL ASSISTANCE & MANDATORY MEETINGS

Pacific Gateway shall provide program and administrative assistance to Contractor to ensure that project goals are met. This includes project overview and technical assistance. Contractor will be required to participate as an active and vested partner in mandatory meetings, trainings, and/or staff development sessions.

D. FINANCIAL REPORTING/INVOICING

Payments will be based upon demonstration of attainment of key deliverables noted in **Exhibit B.1**. Contractor shall include Activity Report/s demonstrating progress toward these deliverables on each invoice, as verified by Pacific Gateway's Executive Director. ***Pacific Gateway's Executive Director (or his designee) shall determine schedule of invoice submission, based upon completion of specific deliverables.*** Contractor will ensure invoices are accurate and submitted accordingly. Send invoices to: Pacific Gateway, 3447 Atlantic Avenue, Long Beach CA 90807, *Attention: Mildred Mota*.

E. GENERAL INFORMATION:

1. Unallowable Activities and Costs

Contractor shall comply with the following guidelines per Pacific Gateway, 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 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.

2. WIA/WIOA and Similar Programs Contract Clauses

Contractor shall administer contract within the policies and procedures mandated by the Workforce Investment Act of 1998 and Pacific Gateway and agrees to comply with the following WIA (and similar programs) contract clauses, as applicable, during the duration of the contract period:

1. Compliance with awarding agency requirement 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. The Debarment and Suspension requirements;
10. The Copeland "Anti-Kickback" Act;
11. The Davis-Bacon Act.

3. Administrative Dispute Resolution

Pacific Gateway and Contractor 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 Pacific Gateway'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.

4. Nepotism

Contractor 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 Contractor.

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.

F. GENERAL PROVISIONS OF WIA/WIOA

Veterans' Priority Provisions: WIA/WIOA and similar funds funded by the U.S. Department of Labor are subject to the provisions of the "Jobs for

Veterans Act” (JVA), Public Law 107-288 (38 USC 4215), as implemented by the Final Rule published on December 19, 2008 at 73 Fed. Reg. 78132. The JVA provides priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services. In addition, in accepting these WIA/WIOA funds, Contractor assures that they will comply with the Veterans' Priority Provisions established by the Jobs for Veterans Act (38 USC 4215).

Wage Rate Requirements: Subject to further clarification issued by the Office of Management and Budget and notwithstanding any other provision of law and in a manner consistent with other provisions of WIA/WIOA and similar funds, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Contractor pursuant to this award shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code. (ARRA Sec. 16064)

Whistleblower Protection: Each Contractor and their sub-contractor (if applicable) awarded funds made available under WIA/WIOA and similar funds shall promptly refer to the Grantor Office of Inspector General any credible evidence that a principal, employee, agent, contractor, subrecipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

EXHIBIT B.1

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CMTC Project Proposal to provide Services to Defense Suppliers impacted by reduced Defense Department Procurement and Contracting

A. Technical Proposal Narrative

Service Provider

California Manufacturing Technology Consulting® (CMTC) is a private, non-profit, 501(c)(3) corporation established in 1992. For more than 22 years we have provided manufacturers training, consulting and technical services for improving productivity and implementing growth strategies through innovation to impact top-line growth, bottom-line savings and global competitiveness. CMTC operates under a cooperative agreement with the U.S. Department of Commerce (DOC), National Institute of Standards and Technology (NIST), Hollings Manufacturing Extension Partnership (MEP) program. CMTC serves the seventeen (17) Southern California counties with a field staff of 40 in-house consulting professionals and 50 external partner contractors that add capability and capacity to assure we meet the needs of our clients. CMTC focuses on providing technical expertise to small and mid-sized manufacturers (SMMs) in order to create and maintain high wage jobs in Southern California.

Purpose

Once one of the strongest industry clusters in California, with broad and deep supplier networks in Southern California, the defense industry has faced significant challenges over the past twenty years. The loss of defense spending has led to a significant employment decrease and supplier consolidation. The services outlined in this proposal are designed to strengthen the ability of Southern California's defense supplier firms to respond to existing and new supply chain and business opportunities. CMTC will provide services to suppliers that meet at least one of the three DoD OEA conditions for assistance outlined in the priority listed below:

1. The firm must experience a loss of employment as well as a loss or an imminent threat of a loss of at least 5% of sales and / or production or of a major product line (defined as 25% of total sales or production) attributable to defense budget reductions.
2. At least 5% of the firm's loss in sales / production must be attributable to defense budget reductions.
3. The firm must be a prime defense contractor or first, second, third, fourth, etc. tier subcontractor to a prime contractor affected by defense budget reductions.

The services will introduce qualifying suppliers to new technologies, markets and strategies to enhance their capabilities and provide the capacity for business growth.

Background

Small and medium-sized manufacturers (SMMs) comprise a majority of the defense supply chain. SMMs have limited resources to address barriers that prevent business growth and bottom line profits. However, SMMs have indicated that their priorities for using external assistance are growing their top line, productivity and quality improvements. The services

provided in this proposal will deliver technical resources for qualifying SMMs to: 1) address gaps identified during a preliminary assessment 2) provide services to selected SMMs to implement projects to foster new products, markets and customers, enhance productivity and workforce skills.

Objective/Need

The key objective for assessing and implementing services is to eliminate internal barriers that inhibit SMMs ability to improve productivity and capacity to grow. This will enable SMMs in Southern California, that have been adversely affected by reduced spending through the Department of Defense (DoD), to secure new customers leading to the creation and retention of high paying jobs.

The services provided in this proposal fill a void of expertise crucial for SMMs in the defense supplier network. SMMs lag behind larger manufacturers in both capability and capacity to overcome manufacturing challenges. Lack of resources and capabilities inhibits SMMs when implementing internal programs that will improve manufacturing processes, use technology to enhance speed-to-market, simulate product development, and expedite entry into new markets both domestically and internationally. This proposal provides the planning, technical expertise, and resource capacity for SMMs to address key productivity, technology and growth opportunities.

Approach

30 assessments will be conducted by CMTC. Pacific Gateway Program Manager will submit defense suppliers to CMTC for assessment. CMTC will contact submitted companies to determine their interest in pursuing a discovery process. The assessments will define the impact associated with a reduction in DoD spending, the firm's barriers and the required approaches, tools and capabilities needed for the supplier to successfully plan and execute improvement plans. CMTC will use a Supplier Screening Assessment Worksheet to identify key areas to assess. The Supplier Assessment will focus on the appropriate challenge areas identified on the Supplier Screening Form. The Supplier Assessment Data Intake Form will provide a summary of the assessment outcomes and a recommendation for next steps to the Program Manager. (see Exhibit A for assessment forms)

The Program Manager, upon review of the recommendations, will approve a maximum of 10 suppliers to receive technical and improvement services delivered by CMTC.

Once assistance has been provided, an engagement close-out form will be completed estimating impact. In addition, the supplier will be surveyed 6 months after project completion to verify projected impact which may be provided after the contract period of performance. (See Diagram 1 – Assessment/Technical Assistance Process below)

Supplier Assessment and Technical Assistance Process

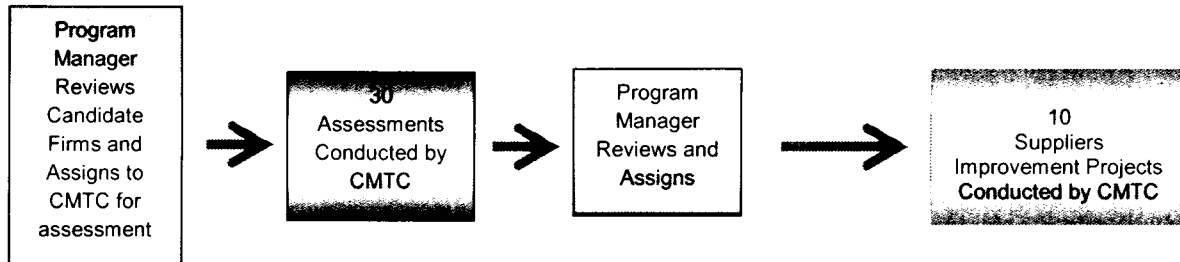


Diagram 1 – Assessment/Technical Assistance Process

Key Tasks

The project will be composed of the following tasks:

- Confirming supplier participation using Program qualification and alignment form
- Financial qualification and assessment report with technical assistance recommendation.
- Supplier Screening Assessment Worksheet
- Assessment to determine supplier improvement gaps with a focus on the following areas;
 - Sales & Strategy
 - Operations Assessment
 - Financial Assessment
- Provide Program Manager an Assessment Data Intake Form which recommends improvement services for impacted suppliers.
- Program Manager assigns Supplier to CMTC for improvement services
- Delivery of technical assistance
- Collection of impact data

B. Staffing and Experience

(see Reference Exhibit B and Case Studies Exhibit C)

CMTC has the experience and capabilities to project manage and deliver supplier improvement services in key areas such as: change management, technology transfer, information technology systems, exporting, sales/marketing, operational, growth strategies, energy efficiency, workforce development and supply chain optimization.

C. Cost Proposal

Technical Assistance	SMMs	Program Share	SMMs Cost Share	Total Program Cost
<i>10% Project Management</i>		\$40,000		\$40,000
<i>Assessments</i>	30	\$180,000		\$180,000
<i>Improvement Projects</i>	10	\$200,000	20,000	\$220,000
Program Totals		\$420,000	\$20,000	\$440,000

Budget Detail

D. Statements of Work and Schedules

Supplier Assessment and Improvement Projects

Tasks

- Program Manager assigns Supplier to CMTC for assessment
- CMTC will use its proven engagement methodology to discuss submitted suppliers, identifying challenges, issues and financial condition (See Diagram 2 – Customer Engagement Methodology next page)
- 30 Assessments will be conducted using the Supplier Assessment Worksheet, and the Supplier Assessment Survey (with data from challenge sections identified from the Supplier Assessment Worksheet) with results and a recommendation submitted to the Program Manager using the Supplier Assessment Data Intake Form
- Provide assessment findings to Program Manager with improvement recommendations for review.
- Implement 10 improvement projects for Suppliers recommended by Program Manager
- Conduct 3rd party surveys to measure results of the project activity including: sales increases, investments and jobs retained or created.

Customer Engagement Methodology

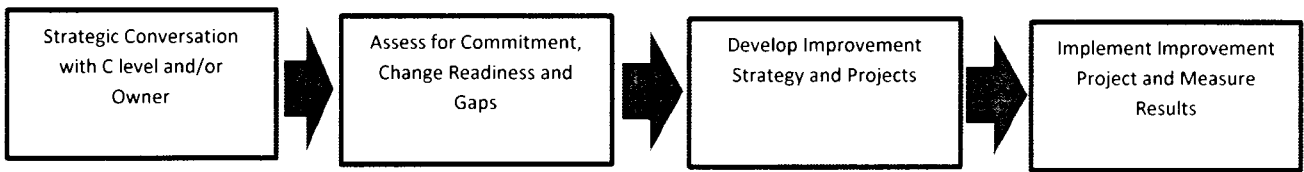


Diagram 2 - Customer Engagement Methodology

Project Benefits

The benefits to suppliers receiving assistance are varied. However, proactive suppliers receiving assistance are: (see Exhibit B for references & Exhibit C for case studies)

- Five times more successful in growing profitably
- Introduce twice as many new products annually
- Bring products to market in half the time
- Increased quality and on-time delivery
- Generate higher profit margins
- Create higher employee salaries

Deliverables

- 30 Assessments
 - Project management
 - Assessment report
 - Improvement recommendations
- 10 Projects
 - Project management
 - Implement improvement plan
 - Quarterly program updates to plan
 - Impact

Staffing

Project assessments, plan development and implementation will be delivered by CMTC consultants and selected external resources.

Assessment and Project Team will be supplemented as appropriate: (see Exhibit D for resumes)

- James Watson
- John Anderson
- Mel Beale
- Walt Ciszczon
- Joe Bockrath
- Doug Waterman
- Chris Marocchi

Schedule

Pacific Gateway OEA Project Implementation Proposed Implementation Schedule

Tasks	Month																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Project Management	Quarterly Progress Updates																	
Conduct 30 Assessments			30 Assessments															
Implement 10 Improvement Plans or Technology Pilot								10 Implementations										
Collect Projected Jobs & Impact Data												Collect Engagement Closeout Form						

Exhibits

Exhibit A: Supplier Assessments

- Supplier Screening Assessment Worksheet
- Supplier Assessment Survey (with Challenge Categories)
- Supplier Assessment Data Intake Form

Supplier Screening Assessment Worksheet

Sales & Strategies

Market Knowledge	<ul style="list-style-type: none"> • Good understanding of their marketing needs • Marketing plan is activity implemented • Customer request for new products • Plan for reduction in defense work
Sales and Employment	<ul style="list-style-type: none"> • Three-year sales trends • Gain or Loss of major customers • Performance as compared to competitors • Has long term contracts in place
Business Consideration	<ul style="list-style-type: none"> • Management challenges with taxes, energy prices, quality of workforce etc • Company mentions relocation or the need for federal or state incentives • 5% reduction in defense contracts • Business (Strategic) plan in place
Research and Product Development	<ul style="list-style-type: none"> • Lack of new products • Level of engineering resources and capabilities to other companies • Commitment to research to cut energy costs, overhead, and inventory • Number of new products in development
Voice of Customer	<ul style="list-style-type: none"> • Tracks key measures of customer satisfaction • Actively involved in customer improvement programs
Export	<ul style="list-style-type: none"> • Percent of sales exported • Number of products exported • Number of countries exporting to • Level of interest in export

Operations

Quality Program	<ul style="list-style-type: none"> • Level of returns • Client satisfaction • Formal quality program
Supply Chain (both directions)	<ul style="list-style-type: none"> • Strong Supply Chain relationships • Multiple suppliers for key components • Formal Supplier evaluation criterion
Management	<ul style="list-style-type: none"> • State of quality controls, poor product design • Lack of Policies and Procedures • Workforce dissatisfaction • Succession plan in place (strategy)
Workforce Instability	<ul style="list-style-type: none"> • High turnover in plant management, engineering, and supervisors • High labor turnover, >20% • Cause?
Current State of Equipment	<ul style="list-style-type: none"> • Commitment to purchases or upgrade equipment • Effectiveness of equipment maintenance program • Last equipment purchase • New equipment needed to be competitive
Process	<ul style="list-style-type: none"> • Level of lean adoption • Last review of manufacturing processes • Capability to manage risk (i.e. Cybersecurity)
Condition of Facility	<ul style="list-style-type: none"> • Cleanliness of the workplace • Commitment to Safety • Level of security
Sustainability	<ul style="list-style-type: none"> • Energy reduction programs in place • Employee training programs in place (no formal safety program)

Financial

Financial Stability	<ul style="list-style-type: none"> • Financial condition and state of accounts payable • Level of Debt • Owns or leases facility • Strategic plan in place • Last review of financial processes
Cash Position	<ul style="list-style-type: none"> • Ability to secure bank credit • Financing of raw materials • Level of reserves



Sales & Strategy Assessment

Contact Details

Date of Assessment: _____

Company Name: _____

Primary Contact/Title: _____

Secondary Contact/Title: _____

Address: _____

Phone: _____

E-mail: _____

Website: _____

Company Details

NAICS Code: _____ NAICS Description: _____

Business Start Date: _____

☐ Started from scratch ☐ Purchased from another ☐ Inherited ☐ Other: _____

Business Type:

☐ Franchise ☐ Branch ☐ Spin-off of Larger Firm ☐ Employee Acquired Entity

☐ Other: _____

Facility Type:

☐ Wholly Owned ☐ Leased Facility ☐ Owned Facility ☐ Shared Office Space

Business Domain:

☐ R&D ☐ Service ☐ Manufacturing ☐ Distributor

Legal Structure:

☐ Sole Proprietorship ☐ Partnership ☐ LLC ☐ LLP ☐ S Corp ☐ C Corp

Total # of Employees: Corporate Wide: _____ This Location: _____
Full Time: _____ Part Time: _____

Total # of Shifts Operated: _____
1st Shift Hours: _____ 2nd Shift Hours: _____ 3rd Shift Hours: _____

Total Square Footage of the Facility: _____
Front End (Office): _____ Back End (Production): _____

Challenges

Strategy

- Do you have a business plan?
- What are the organization's vision and goals?
 - Short Term
 - Long Term
- What is the organization's mission?
- What are your KPI's?
- Do you actively track and manage to them?
- What are the products and or services offered?
- What are your key competitive advantages?
- What are your target customer segments?
- What is your "Go-to Market" Customer outreach strategy?
- Do you plan to change your business model in future? If yes, why and how?
- How significant is R&D for your growth?
- Are you investing in new product development or in new services?
- Are you planning on exploring markets other than in which you are currently? What efforts are you putting in to move forward?
- Do you actively follow your competitors' moves (new product launch, getting into new markets, etc.)? How do you respond to your competitors' moves pressures?

Sales & Strategy

- Sales
 - Sales force size
 - Sales force geographical outreach (what is the spread?)
 - Accounts and targets allocated to sales force (brief overview)
 - How is the sales force compensated. What are the metrics?
- Marketing
 - What is your high-level marketing strategy?
 - Segmentation: How do you identify market segments?
 - Target: How do you target the identified segments?
 - Positioning: How do you position yourself to your target segments?
 - Product: What is the USP and how do you communicate it?
 - Place: What is your distribution strategy? (retail wholesale other)
 - Price: What is your product service price point and why you picked that price point?

- Promotion: What are your outreach modes? What kinds of advertisement modes do you use? Are these effective?
 - ⋮ Do you attend tradeshows?
 - ⋮ Have you developed any marketing materials?
 - ⋮ Does your website reflect your outreach intent?
 - ⋮ How do you measure the effectiveness of marketing efforts to your top-line? Do you have any metrics?
- Pricing
 - ⋮ What is your pricing strategy? How do you set prices for your goods/service?
 - Cost-based (cost plus markup)
 - Price-based (based on price that market can bear or customer is willing to pay)
 - Competitive pricing (pricing relative to competition)
 - Other
 - ⋮ Do you face pricing pressures? (reduction or increase in price)
 - ⋮ Are you planning on reducing or increasing your prices in the future? Why?

Customers

- What are your customer segments?
 - ⋮ Demographics
 - ⋮ Geography based
 - ⋮ Revenue based
 - ⋮ Profitability based
 - ⋮ Industry based
 - ⋮ Other
- Who are your target preferred customers based on the above segments?
- Can you list some of your existing customers?
- Can you list some of your target customers who you would like to do business with in the future, but are not currently?
- Who are your past customers that do not feature in your existing customer list?
 - ⋮ Why did these customers leave?
 - ⋮ Do you plan on getting back the lost customers? If no, why?
- Do you measure customer satisfaction? What are the metrics and tools use?
- What is the current level of your customer satisfaction:
[] High [] Medium [] Low

Competition

- Current
- Future
- Past
- What are some of the substitutes for your product or services?
- Do you have counter positioning strategy to neutralize the competition?
- What is your current level of your product service quality, compared to competition?
[] High [] Medium [] Low
- Do you have any plan in place to counter the competition in areas that you lag?
- What are your top concerns related to competition? Do you have any plans in place to address these concerns?



Operations Assessment

Contact Details

Date of Assessment: _____

Company Name: _____

Primary Contact/Title: _____

Secondary Contact/Title: _____

Address: _____

Phone: _____

E-mail: _____

Website: _____

Company Details

NAICS Code: _____ NAICS Description: _____

Business Start Date: _____

☐ Started from scratch ☐ Purchased from another ☐ Inherited ☐ Other _____

Business Type

☐ Franchise ☐ Branch ☐ Spin-off of Larger Firm ☐ Employee Acquired Entity

☐ Other _____

Facility Type:

☐ Wholly Owned ☐ Leased Facility ☐ Owned Facility ☐ Shared Office Space

Business Domain:

☐ R&D ☐ Service ☐ Manufacturing ☐ Distributor

Legal Structure

☐ Sole Proprietorship ☐ Partnership ☐ LLC ☐ LLP ☐ S Corp ☐ C Corp

Total # of Employees: Corporate Wide: _____
Full Time: _____ Part Time: _____

This Location: _____

Total # of Shifts Operated: _____
1st Shift Hours: _____ 2nd Shift Hours: _____

3rd Shift Hours: _____

Total Square Footage of the Facility: _____
Front End (Office): _____

Back End (Production): _____

Challenges

People

- Management team
 - : What is the reporting structure? Can you provide a copy of hierarchical map reporting structure?
- How do roles and responsibilities get delegated?
- Who are the key personnel at this location
 - : _____
- Current level of your employee turnover (excludes temporary employees):
 - ☐ High >20% ☐ Medium < 20% ☐ < 5%
- How is the company culture and employee morale?
 - ☐ Good ☐ Satisfactory ☐ Poor
- What is the education level of your work force?
 - ☐ Good ☐ Satisfactory ☐ Poor
- Does your workforce have basic –
 - : English skills (reading and writing) required to perform a job satisfactorily
 - : Math skills required to perform a job satisfactorily
- What type of skills (other than those discussed above) do you expect your workforce to have to see good levels of performance?
- Performance metrics
 - : What are the Key metrics to track employee performance?
 - : Are these metrics tied to company vision growth? If yes, how?
- What are the Top-3 personnel issues that exist within your organization?
 - : 1.
 - : 2.
 - : 3.
- Do you have a training program? If yes, then are the materials updated regularly? How do you track the effectiveness of the training program?

Operations

- Front end
 - : Customer service Order entry
 - Key issues
 - Lead time
 - Process and tools employed
 - # of employees in customer service order entry
 - : Purchasing
 - Key issues
 - Lead time

- Process and tools employed
- Do you use any ERP MRP tools? If no, do you intend to use these in the future?
- # of employees in purchasing
- Planning
 - Key issues
 - Lead time
 - Process and tools employed
 - # of employees in planning
- Engineering Design
 - Key issues
 - Lead time
 - Process and tools employed
 - # of employees in engineering design
- Scheduling
 - Key issues
 - Lead time
 - Process and tools employed
 - Do you have follow a scheduling process tool
 - # of employees in scheduling
- Back end
 - Shipping & Receiving
 - Key issues
 - # of employees in shipping & receiving
 - What is your on-time delivery number? What is the target?
 - Do you have to expedite shipping? How often?
 - Do you encounter handling damage, while the shipment is in transit?
 - Do you mistakenly ship to incorrect address location? How often?
 - Production
 - Key issues
 - What is the reporting structure?
 - How many types of equipment do you have?
 - # of employees in production
 - Do you have SOP's?
 - What is your machine(s) availability number?
 - Do you have frequent machine breakdowns?
 - Do you have a TPM program in place?
 - Do you do batch processing or one-piece flow?
 - What is are your bottleneck areas machines?
 - What is your current capacity?
 - Do you have capacity constraints?
 - How many days' worth of inventory you carry? Is this normal?
 - What is your inventory turnover?
 - Do you have high-levels of WIP? Is this normal?

- Do you have adequate staffing on the production floor?
- Do you have scheduling issues
- Does production have issues in synchronizing with front end operations?
- : QA QC
 - Current certification (e.g. AS9100)
 - Registrar
 - Key issues
 - # of employees in QA QC
 - What level of internal and external rework do you encounter?
 - What level of returns do you encounter?
 - What is your # of Customer complaints level per month year?
 - What are some of the current and past warranty issues, if you had any?
 - What is your scrap level? Is this normal?
 - What is your cost of poor quality? (only if you track this data)
- : Warehousing
 - Key issues
 - Total square footage employed
 - \$ Sq. ft.
 - # of forklifts employed
 - # of employees working in for warehouse
- : Subcontracting
 - Do you subcontract jobs?
 - Are you satisfied with subcontracting?
 - Will you continue subcontracting in the future?
- Supply Chain Suppliers
 - : Key issues
 - : How many suppliers do you have?
 - Direct
 - Indirect (middleman)
 - : Do you have a vendor management process?
 - : Do you have do incoming inspection?
 - : Are you looking at supplier consolidation in the future?
 - : Are you looking at adding more suppliers in the future?
 - : Are any of your suppliers offshore?
 - : Are you planning on doing business with offshore suppliers? Why?



Financial Assessment

Contact Details

Date of Assessment _____

Company Name _____

Primary Contact/Title _____

Secondary Contact/Title _____

Address _____

Phone _____

E-mail _____

Website _____

Company Details

NAICS Code _____ NAICS Description _____

Business Start Date _____

☐ Started from scratch ☐ Purchased from another ☐ Inherited ☐ Other _____

Business Type

☐ Franchise ☐ Branch ☐ Spin-off of Larger Firm ☐ Employee Acquired Entity

☐ Other _____

Facility Type

☐ Wholly Owned ☐ Leased Facility ☐ Owned Facility ☐ Shared Office Space

Business Domain

☐ R&D ☐ Service ☐ Manufacturing ☐ Distributor

Legal Structure

☐ Sole Proprietorship ☐ Partnership ☐ LLC ☐ LLP ☐ S Corp ☐ C Corp

Total # of Employees: Corporate Wide: _____
Full Time _____ Part Time _____

This Location: _____

Total # of Shifts Operated _____
1st Shift Hours _____ 2nd Shift Hours: _____

3rd Shift Hours _____

Total Square Footage of the Facility: _____
Front End (Office) _____

Back End (Production): _____

Challenges

Finance

- Reporting structure of the team
- What are your sales (last 2-years, current and projected for next year)?
- What are your COGS (last 2-years, current and projected for next year)?
- What is your net income (last 2-years, current and projected for next year)?
- What are some of the key reasons for year-over-year sales decline/growth?
- What is your leverage ratio or Debt-to-Equity ratio?
- What is your current ratio for past 3-years? (can be obtained from balance sheet)
- What is your net working capital for past 3 years? (can be obtained from balance sheet)
- What are your existing and past financial issues?
 - : Negative cash flow
 - : Accounts payable backlog
 - : Overdue loans/liens
 - : Real estate and property tax delinquencies
 - : High interest payments on debt
 - : High Days Sales Outstanding (DSO)
 - : Any other financial delinquencies
- Do you have any legal issues that will require monetary settlement in the future?
- Are you in default of any bank covenant? Or do you think you will be in default in the future?
- Do you finance capital expenditures with short-term debt? Why?

Department of Defense – Office of Economic Adjustment Supplier Assessment Data Intake Form

INSTRUCTIONS:

- ✓ Complete form and indicate service recommendation
- ✓ Provide a problem statement and solution
- ✓ Estimate outcome (quantified impact) from solution implementation
- ✓ Submit to John Anderson anderson@cmtc.com with a cc to Patti Anthony anthony@cmtc.com

Company Name:			
Address:			
Company Contact Name:		Contact Title:	
Contact E-Mail:		Contact Phone:	
Product/Industry:			
Number of Full Time Workers:			
Client Advisor:			
% Business Decline due to Sequestration/Consolidation:		Job reduction due to Revenue Loss:	
Minimum Commitment of Jobs to Retain or Create*:			
Top Three Challenges			
1.			
2.			
3.			

*A retained job equals someone that remains in full time employment for no less than 90 days after delivery completion.

(✓) Indicates which impact criteria the company meets:

1. () The firm must experience a loss of employment as well as a loss or an imminent threat of a loss of at least 5% of sales and / or production or of a major product line (defined as 25% of total sales or production) attributable to defense budget reductions.
2. () At least 5% of the firm's loss in sales / production must be attributable to defense budget reductions
3. () The firm must be a prime defense contractor or first, second, third, fourth, etc. tier subcontractor to a prime contractor affected by defense budget reductions.

Brief explanation of above indicated impact:

Service Recommendation:

Problem statement:

Proposed solution:

Anticipated outcome (quantified impact):

Completed by: _____

Date: _____

Exhibit B - References

Name of Company	Contact	Telephone
Ship & Shore Environmental, Inc.	Sophary Sin Controller 2474 N. Palm Drive Signal Hill, CA 90755	562-997-0233
California Faucets	Jay Silverstein President 5231 Argosy Avenue Huntington Beach, CA 92649	714-981-7797
Inland Powder Coating	David Flatten Owner 1656 S Bon View Avenue, Suite F Ontario, CA 91761	909-947-1122

Exhibit C: Case Studies

MASK-OFF



Mask-Off is a supplier of pressure sensitive protective tapes to Original Equipment Manufacturers (OEMs). Their products help organizations protect their equipment's critical components and surfaces from costly damage. Based in Monrovia, CA, Mask-Off is a veteran-owned business with 21 employees.

Challenge

Mask-Off's larger aerospace and defense clients were requesting that all members of their supply chain have AS9100 certification. Achieving AS9100 certification would mean developing and implementing a quality management system with very rigorous guidelines. Management was concerned with how the certification process would impact their company culture, but knew certification was necessary in order to protect their customer base and accommodate the requirements of OEMs.

Solution

Mask-Off connected with CMTC and conducted an evaluation of their quality management systems. Then an implementation plan was developed so that Mask-Off could become AS9100 certified. CMTC assisted Mask-Off in identifying and implementing the required operational improvements by creating an internal management system and the accompanying manual necessary for achieving certification.

Mask-Off staff members were then trained on the benefits and impact of AS9100 and were actively encouraged to provide feedback. Consultants were able to balance the structure needed to achieve certification while enabling Mask-Off to retain their unique company culture.

After being guided through a simulated audit by CMTC, Mask-Off achieved AS9100 certification. This certification will allow Mask-Off to compete for new business from aerospace OEMs and allows them to make their quality management system part of their strategic plan for growth.

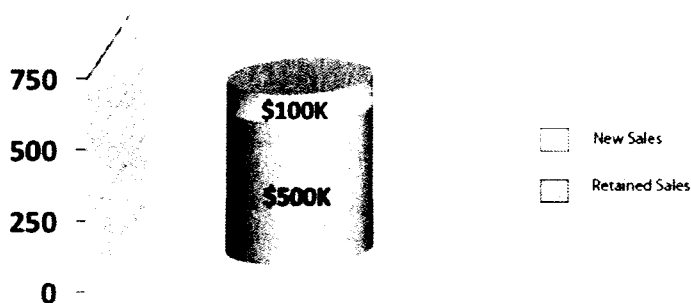
"Obtaining AS9100 certification was critical to our organization's client retention and growth efforts. CMTC helped us every step of the way, and we could not have accomplished this without their expertise."

- Jim Sites,
Vice President



www.mask-off.com

\$600K Total Sales Impact



FINANCIAL & PRODUCTIVITY RESULTS

- \$100K in new sales
- \$500K in retained sales
- Achieved AS9100 Certification

INLAND POWDER COATING CORPORATION

Inland Powder Coating Corporation (IPC) is located in Ontario, CA and employs 108 people. The powder coating process involves covering metal parts with a colored powder and then curing by heating to coat the finished product. When heated to an appropriate temperature, the material bonds with the metal, which paints the product in an environmentally safe manner.

Challenge

In 2012, IPC wanted to improve efficiencies to ensure that they could continue to meet customer delivery time and quality requirements as production rates increased. It was becoming more challenging to organize internal data and scheduling information. A better system was required to manage information and effectively track and schedule orders. Assistance was also needed to expand their market strategically.

Solution

The CMTC consultants evaluated the company's needs and provided strategies to address IPC's requirement for a better management system, greater productivity, and a sound marketing strategy. Three different initiatives were planned: Lean, implementing an ERP System and improving their sales and marketing strategy.

The Lean Manufacturing training was designed to help IPC improve productivity in order to meet demand and resulted in better product flow and a cleaner, safer working environment for the employees.

The Enterprise Resource Planning (ERP) software implementation helped to manage scheduling and order data. A more sophisticated reporting system was created to use maps, charts and graphics to better relay scheduling information to employees.

CMTC helped management outline a new strategy by identifying new consumers and assessing competitive threats. Marketing materials were updated to better inform prospects about the benefits of using powder coating and helped the sales staff attract new customers. The project ended in June of 2012.

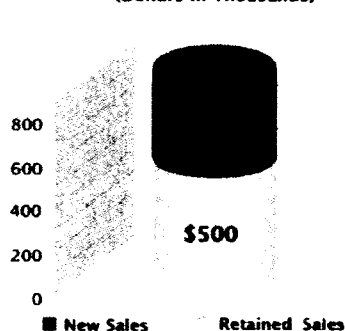
"CMTC's strategic assistance is crucial for California manufacturers looking to grow. Between the new management system implemented under their guidance and the adoption of Lean principles, we were able to improve efficiencies and realize cost savings. With CMTC's expertise, we were able to develop a new marketing strategy which resulted in new customers and sales."

-David Flatten
President

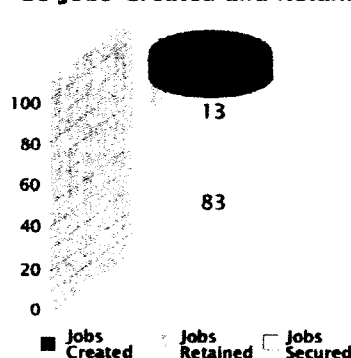


CMTC
Creating Solutions

\$900K in New & Retained Sales
(Dollars in Thousands)



25 Jobs Created and Retained



FINANCIAL & PRODUCTIVITY RESULTS

- \$400K in new sales
- \$500K in retained sales
- 12 new jobs created
- 13 jobs retained
- \$250K in cost savings
- \$150K in plant and equipment investments
- \$25K in IT and software investments

Exhibit D: Resumes

James Watson

President & CEO

James Watson started with CMTC in 1999 as Vice President of Business Development and transitioned to the position of Vice President of Operations in 2001. In his capacity as Vice President of Operations, he was responsible for the day-to-day operations of CMTC until his appointment as President and CEO in 2011.

Mr. Watson is responsible for crafting the future vision of CMTC, promoting the importance of the manufacturing sector to State and Federal legislators and expanding the awareness of CMTC's capabilities throughout Southern California.

CMTC's mission is to improve the performance and competitiveness of small and medium-sized manufacturers (SMMs). SMMs comprise the vast majority of manufacturers in Southern California. There are more than 29,000 SMMs in CMTC's service area, of which 94% employ less than 100 workers. Mr. Watson oversees the delivery of services to more than 800 SMMs per year. CMTC offers a broad range of solutions fostering business growth and profitability.

Mr. Watson has extensive experience in developing and leveraging public/private partnerships to expand both outreach and services to assist SMMs. Key partnerships address areas such as energy efficiency, technology transfer, and supply chain development. He is founding member of the California Network for Manufacturing Innovation (CNMI), a partnership designed to foster innovation and facilitate the transfer of technologies to small and medium-sized manufacturers, serving on the Industry Working Group.

Experience

- With over thirty (30) years of management experience in areas of partnership development, strategic planning, operations management, organizational design, sales and marketing, and cultural alignment.
- He started his career with Western Airlines advancing to Vice President, Passenger and Cargo Sales and then was Vice President and General Manager of SuperShuttle International before moving to Anchor Audio, a manufacturer of portable sound systems, as Vice President of Sales and General Manager, Europe.

Education

- BS Political Science, California State University, Northridge

John Anderson

Director of Field Operations

John Anderson is a proven leader experienced at driving operational efficiency and improving customer satisfaction. Manage and develop high performance consulting teams consisting of varied subject matter experts with extensive industry experience. Excellent financial skills applied to improving key business levers. Created high performance teams that met and exceeded sales and financial goals. CMTC Project Manager Southern California Edison and So Cal Gas Continuous Energy Improvement program.

Improved operations at Excalibur USA to meet customer delivery demands resulting in annual sales increases. Complete P&L responsibility for a \$5 million fulfillment and distribution facility. Managed studies conducted by multi-disciplinary teams of engineers, chemists, hydrologists, biologists and technical writers on nationwide assessment studies of past hazardous waste disposal practices. Developed innovative sampling protocol to reduce program costs by millions of dollars. Established quality processes, control laboratory and developed innovative processes for a million pound food ingredient plant, from pilot plant to operational facility.

Experience

- Experienced business and consulting professional, with a strong business and manufacturing background in a wide variety of industries, including manufacturing, aerospace, wholesale distribution, and food processing

Education

- M.S. Management, University of LaVerne
- B.S. Biochemistry, California Polytechnic State University



Mel Beale

Client Advisor & Growth Coach

Mel Beale, 30 years of operations management experience across 10+ industries, covering all business functions. Programs have varied from \$240M, 7 year contract programs for airline / aerospace industry, to outsourcing contracts supporting MRO and product service for automobiles, aircraft, cameras, PC's, and mobile phones. Last ten years has been primarily as an industry specialist / consultant for business improvement in cost management, quality, production processes, and, IT systems configuration.

Skills Capabilities	<ul style="list-style-type: none">▪ Project Management▪ International Business Development▪ Plant Management▪ Business Planning▪ Command & Control Center Design▪ LEAN Systems Design▪ Information Technology – Implementation	<ul style="list-style-type: none">▪ Global Logistics/Material Mgmt.▪ Mechanical Test Engineer-Shipyard▪ CFO/VP Finance/Controller▪ Start-up / Entrepreneurial Enterprise Mgmt.▪ Supply Chain Management
Experience	<ul style="list-style-type: none">▪ Aerospace and Defense▪ Agriculture,▪ Aviation (commercial, general, and military)▪ Automotive▪ Building Materials & Construction▪ Chemical, Electronics▪ High Tech, Industrial/Heavy Industry Mfg.	<ul style="list-style-type: none">▪ IT, Logistics (Ground/Cargo/Air transport)▪ Nuclear Power▪ NDT equipment/instrumentation▪ Paper making▪ Shipbuilding▪ Textile▪ Travel & Transportation
Clients	<ul style="list-style-type: none">▪ Airbus▪ Boeing▪ Canon▪ Bombardier▪ Rolls Royce	<ul style="list-style-type: none">▪ Toyota▪ Honeywell▪ Dow Chemical▪ Sony Ericsson▪ Goodrich
Education	<ul style="list-style-type: none">▪ B.S. Mechanical Engineering, University of Virginia▪ MBA, Colgate Darden, University of Virginia	
Certifications Credentials	<ul style="list-style-type: none">▪ EIT, Research publication cited in US Congressional Record	

Walter Ciszczon

Sr. Production Consultant & Growth Coach

Walter Ciszczon, Senior Consultant, with CMTC since 2015.

Skills

Capabilities

- Aerospace
- Electronics
- Furniture
- Injection Molding
- Food
- Metal Stamping, Milling, Turning, Welding & Fabrication
- Electric Motors
- Wood Processing
- Opto-electronic

Experience

- Strategic & Operations Planning
- Operations & Engineering Management
- Product Development and R&D
- Business Systems & Process Improvements (Theory of Constraints, Lean and 6-Sigma methodologies)
- Project Management
- Business Development
- 3rd Party Contract Negotiations
- ERP/MRP Selection & Implementation
- Process analysis and re-engineering
- Mergers/Acquisitions/Reorganizations/Startups
- Plant Layout/Plant Construction/consolidation
- Off shoring

Clients

- Raytheon
- Boeing
- Jet Propulsion Laboratory
- Adams and Brooks
- Felbro
- McGill Corp.
- Marineland
- Noma Bearing
- Sierracin Corp.

Education

- Master's in Business Administration, 2007
Pepperdine University, Malibu California
- Bachelor's Degree in Mechanical Engineering, 1989
Washington University, St. Louis, Missouri
- Bachelor's Degree in Political Science and Art, 1973
Mckendree College, Lebanon, Illinois

Certifications Credentials

- AS9100 Lead Auditor Certification, 2013
RABQSA Certified AS9100:2009 Lead Auditor Training Program
- Certification in Production and Inventory Management, 2003
California State University, Northridge California
- Six-Sigma Black Belt Certification, 2003
University of Michigan, School of Engineering, Ann Arbor Michigan
- Certifications in Lean 101, Kanban, Cellular Manufacturing, Single Minute Exchange of Dies (SMED), 5-S, and Train the Trainer
National Institute of Standards and Technology (NIST)
- Toyota Production System, Toyota Auto Body Company (TABC), Long Beach, California

Joe Bockrath

Client Advisor & Growth Coach

Joe Bockrath, 30+ years of hands-on experience in Supply Chain, Manufacturing, Operations, Financial Management and Executive Management positions as a Consultant, President, COO, VP, Corp Controller and Controller with Fortune 500 companies, Private Equity-backed and businesses ranging to under \$10M in revenue.

Skills Capabilities

- Consumer, Industrial, Aerospace and Building Material Products in Hardware, Plumbing, Appliances, Furniture, Housewares, Fencing, Fasteners, Clothing, Instruments, Casters and Electronics.
- Products were sold thru B2B, contractors and small to large retailers like Lowe's, Home Depot, Target and Wal-Mart.
- Consumer, Industrial, Aerospace and Building Material Products in Hardware, Plumbing, Appliances, Furniture, Housewares, Fencing, Fasteners, Clothing, Instruments, Casters and Electronics.
- Products were sold thru B2B, contractors and small to large retailers like Lowe's, Home Depot, Target and Wal-Mart.

Experience

- Experienced running and reducing costs in operations with forming, machining, casting, forging, welding, extruding, drawing, cutting, sewing, plating, coating and painting that were used to make various types of metal, plastic, composite, wood and cloth products.
- Experienced in domestic and international supply chains and sourcing, improved customer service, reducing inventories.
- Running international operations.

Clients

- Adel-Wiggins
- Southern California Gas
- PennySaver
- Accu-Sembly
- Ready-Pac
- Alere (Ameditech)
- Hermetic Seal
- Cacique Foods
- Cambro
- HonorPoint

Education

- BS in Business Administration/Finance
- Three years in Mechanical Engineering; CALIFORNIA STATE UNIVERSITY, Long Beach, CA

Certifications Credentials

- Integrating MRPII into JIT/Lean; Straight Talk on Just-In-Time
- Improving Manufacturing Cost-Effectiveness; and Design for Excellence
- Business Education by COOPERS & LYBRAND
- Demand-Flow Technology (DFT/Lean), WORLDWIDE FLOW COLLEGE
- Certified Galliard's Family Business Advisor 1 & 11

Doug Waterman

Client Advisor & Growth Coach

Doug Waterman, 19-years as a commercial banker, which included the Chase Manhattan Bank, Republic National Bank of NY and 1st Interstate Bank. Completed the very competitive, two year commercial lending program at Chase. Assignments included commercial lending to foreign banks, large and small companies, trade finance, private banking (President of Rep Bank International, Miami) and the development and implementation of a commercial asset sales division that underwrote and sold commercial loans and private placements.

Skills Capabilities

- Operated a successful small business consulting firm which worked with businesses needing capital, having cost and inventory issues, accounting system problems, poor vendor relationships and production flow.
- Worked with Mayor Riordan's Business Team in providing financial solutions to small and medium sized businesses.
- Contract consultant to VEDC, provided analytical support for clients involved in mergers and acquisitions. Served as the SBA loan underwriter.
- Developed the business plan for the Community Development Bank under his direction.
- Managed a problem loan portfolio for California Economic Development Lending Initiative (CEDLI), underwrote SBA loans for the Pacoima Development Federal Credit Union (managed by Valley Economic Development Corporation – VEDC), and wrote several successful grant proposals for VEDC which helped raise addition lending capital.

Experience

- 19-years as a commercial lender
- As a senior bank manager, managed 30-40 employees.
- 25 years as a consultant to small/medium sized businesses.
- Since joining CMTC have provided a general consulting services to almost 200 small and medium sized businesses, including lean, quality and innovation and growth services.
- Became involved in Economic Development and created a consulting practice that provided small and medium sized business services that included financial management, cost analysis and inventory control, process flow, and access to capital.
- Performed due diligence for acquisition and sales for aerospace, medical transportation, radio stations and electronics.

Clients

- UltraGlas
- American Therapy Group
- Abbott Technologies
- Western Fiber
- Century Rubber
- Firequick
- Pacific Airframe
- Davidson Tank

Education

- BBA, Manhattan College, NY, NY
- MBA, Pace University, NY, NY

Certifications Credentials

- Capt., USAF, Nuclear and Conventional Ordnance.

Chris Marocchi

Manager, Field Operations

Chris Marocchi, Growth Coach and Field Operations Manager with CMTC since 2012.

Skills • Capabilities

- Leadership Development
- Lean Leadership
- Supervisory & Management Training
- Blueprint and GD&T training
- Statistical Process Control Training
- Customer Service Training

Experience

Accomplished Sales/Marketing professional with the following accomplishments:

- \$3M in cost savings for die manufacturer from consultative training
- Increased corporate revenue \$4M with new product innovation and releases
- Grew division by 40% due to financial analysis, new product development and organizational turnaround
- Increased margin and sales during peak of recession through implementation of strategic initiatives
- Increased ROI of product lines through margin analysis and increased speed to market for new products
- Launched and developed markets for new products in Mexico, Europe and Asia
- Achieved industry standard for lead generation and conversion for HVAC products with innovative marketing strategy
- Won gold and silver industry awards for packaging design and advertisements at AAPEX

Clients

- AB Controls
- Advanced Mold Technology
- Aluminum Precision Products
- A&R Tarpaulins
- Electric Precision Specialties
- Prototype & Short Run
- Ship & Shore Environmental
- Sun Rich Roods
- Venture Design Services
- Western Mold
- WTS Connects

Education

- BA Advertising – Brigham Young University
- MBA Marketing – CSU – Hayward

Certifications • Credentials

- Six Sigma Greenbelt (Univ of Michigan)
- Pragmatic Marketing certification (Los Angeles)
- Value Based Leadership training (ITT)