COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

October 7, 2008

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE COMMUNITY DEVELOPMENT BLOCK GRANT REIMBURSABLE CONTRACT FOR HARBOR AREA GANG ALTERNATIVES PROGRAM (DISTRICT 2) (3 VOTE)

SUBJECT:

This action is to approve a Community Development Block Grant (CDBG) Reimbursable contract between the County of Los Angeles and Harbor Area Gang Alternatives Program (Harbor Area GAP) for $44,000 for gang prevention education, through June 30, 2009.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of a Reimbursable Contract between the County of Los Angeles and Harbor Area GAP is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.

2. Approve a CDBG Reimbursable Contract with the Harbor Area GAP, presented in substantially final form, for gang prevention education activities, using $44,000 in CDBG funds allocated to the Second Supervisorial District, to be effective from date of Board approval through June 30, 2009, following approval as to form by County Counsel and execution by all parties.

3. Instruct the Acting Executive Director of the Community Development Commission to execute the standard CDBG Reimbursable Contract and all necessary non-monetary amendments thereto, on behalf of the County of Los Angeles (County), following approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

On May 27, 2008, your Board approved the 2008-2009 One-Year Action Plan for the Thirty-fourth Program Year (July 1, 2008 through June 30, 2009) to receive CDBG funds from the U.S. Department of Housing and Urban Development (HUD). The Action Plan contains the County's one-year plan to carry out housing and community development activities funded by the CDBG program. The proposed CDBG Reimbursable Contract with the Harbor Area GAP is consistent with the purposes set forth in the Action Plan.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The proposed CDBG Reimbursable Contract will be funded with a total of $44,000 in CDBG funds allocated to the Second Supervisorial District.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Harbor Area GAP is a non-profit agency that serves approximately 4,000 young people through several programs: a school-based youth gang prevention curriculum for 2nd, 4th and 6th grades; a court approved parent education program; an extensive graffiti abatement program; community beautification; job training and development; case management; and outreach and referral services. The agency currently serves youth at 36 schools throughout Los Angeles County. CDBG funds will be used to expand the agency's school-based youth gang prevention to three schools located in the unincorporated Florence/Firestone area of the Second Supervisorial District. The Harbor Area GAP is located at 309 W. Opp Street in the unincorporated Wilmington area.

Should the Harbor Area GAP require additional or replacement personnel after the effective date of this CDBG Reimbursable Contract, the Harbor Area GAP shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Harbor Area GAP's minimum qualifications for the positions in question.

The attached standard CDBG Reimbursable Contract is presented in substantially final form, and will be effective following approval as to form by County Counsel and execution by all the parties.

ENVIRONMENTAL DOCUMENTATION:

Approval of a Reimbursable Contract between the County of Los Angeles and Harbor Area GAP is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM:

The project meets the U. S. Department of Housing and Urban Development national objective of serving low- and moderate-income persons.

Respectfully submitted,

William K. Huang

WILLIAM K. HUANG
Acting Executive Director

Attachments: 2

ATTACHMENT A

APPROVE COMMUNITY DEVELOPMENT BLOCK GRANT REIMBURSABLE CONTRACT FOR HARBOR AREA GANG ALTERNATIVES PROGRAM

Board of Directors		Employees	
Total:	20	Total:	75
10	Minorities	72	Minorities
12	Women	47	Women
50%	Minority	96%	Minority
60%	Women	63%	Women

The Commission encourages the participation of minorities and women in the contract award process by: providing information about the Commission at local and national conferences; conducting seminars for minorities and women regarding the Commission's programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations that represent minorities and women. The above information has been voluntarily provided by the Harbor Area GAP.

The recommendation to approve the CDBG Reimbursable Contract with the above agency is being made in accordance with federal regulations, and without regard to race, creed, color, gender, religion or sexual orientation.

COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT

PROJECT TITLE: GANG PREVENTION EDUCATION

PROJECT NUMBER: 601138 CONTRACT NUMBER: 101894

THIS CONTRACT is made and entered into this «Date» day of «Month», «Year», by and between the County of Los Angeles, hereinafter called the "County," acting by and through the Executive Director of the Community Development Commission of the County of Los Angeles (Commission), and Harbor Area Gang Alternatives Program, hereinafter called the "Operating Agency."

WITNESSETH THAT:

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

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

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

1. CONTRACT. This Contract consists of this document and attachments: Exhibit A, Project Description and Activity Budget, Exhibit B, Insurance Requirements and Exhibit C, Charitable Contributions Certification.

2. CONTRACT ADMINISTRATION. The Executive Director of the Commission, (Executive Director), or his designee, shall have full authority to act for County in the administration of this Contract consistent with the provisions contained herein.

3. SCOPE OF SERVICES. The Operating Agency is to perform all the services set forth in the Exhibit A, Project Description and Activity Budget.

4. TIME OF PERFORMANCE. Operating Agency shall commence the services described herein on the date first above written and shall complete same by no later than June 30, 2009.

5. COMPENSATION AND METHOD OF PAYMENT. For satisfactory performance under this Contract, County shall reimburse Operating Agency an amount not to exceed forty-four thousand dollars ($44,000) which shall constitute

full and complete compensation hereunder for the implementation of the project described in Exhibit A. Said reimbursement will only be paid out of funds received from the federal government under the Act or from program income, as described in 24 CFR Section 570.504 accumulated under said program, for allowable costs actually incurred and paid for the express purposes specified. The parties understand and agree that such reimbursement, if any, shall be conditioned upon receipt of said funds by the County from the federal government or accumulation of program income from said program, and shall not be a charge against any other funds of the County. Funds shall be paid only after submittal of the electronic payment request form. This payment request form must be submitted on a minimum of a monthly basis as specified and provided by the County. Said payment request shall give the total of said cash expenses paid during the monthly reporting period and shall also itemize the same in detail conforming to the budget required by Section 6 of this Contract. After timely receipt and approval of each payment request form, the County will draw a check in favor of the Operating Agency in the approved amount

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

6. BUDGET SECTION. No more than the amounts and expenditure items specified in the Project Description and Activity Budget, Exhibit A to this Contract, which is attached hereto and incorporated herein by this reference in Section 3, may be spent for the separate cost categories specified in Exhibit A without written approval of the County.

7. SOURCE AND APPROPRIATION OF FUNDS. The County's obligation is payable only and solely from funds appropriated through the HUD and, for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1. In the event this Contract extends into succeeding fiscal years and funds have not been appropriated, this Contract will automatically terminate as of June 30 of the current fiscal year. The County will endeavor to notify the Operating Agency in writing within ten (10) days of receipt of non-appropriation notice.

8. COMPLIANCE WITH LAWS. All parties agree to be bound by all applicable Federal, State, and local laws, ordinances regulations and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Act; 24 CFR Part 570; U.S. Office of Management and Budget (OMB) Circulars A-110 and A-122; OMB Circular A-133 Compliance Supplement and the County Auditor-Controller Contract Accounting and Administration Handbook. The Catalog of Federal Domestic Assistance

(CFDA) number assigned to the Community Development Block Grant Program is 14.218.

The Operating Agency shall comply with applicable uniform administrative requirements, as described in 24 CFR Section 570.502. The Operating Agency shall carry out each activity in compliance with all Federal laws and regulations described in 24 CFR Part 570, Subparts J and K, except that:

i. The Operating Agency does not assume the County environmental responsibilities described in 24 CFR 570.604; and

ii. The Operating Agency does not assume the County's responsibility for initiating the review process under Executive Order 12372.

Operating Agency agrees to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of the Contract, including, but not limited to, Sections a-j below. This Contract is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzales National Affordable Housing Act, 1990 and the 24 CFR Part 85.

a. Operating Agency shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

b. Operating Agency shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

c. The Operating Agency shall comply with the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

d. Operating Agency shall comply with Executive Orders 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Operating Agency will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Operating Agency will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their

race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operating Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Operating Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Operating Agency, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Operating Agency will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency of the Operating Agency's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Operating Agency will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Operating Agency will furnish all information and reports required by the Executive Orders and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the County and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event the Operating Agency fails to comply with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part, and the Operating Agency may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Orders or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Operating Agency will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions shall be binding upon each subcontractor or vendor. The Operating Agency will take such actions with respect to any subcontract or purchase order as the County may direct as a means of enforcing such provisions

including sanctions for noncompliance, provided however, that in the event the Operating Agency becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the County, the Operating Agency may request the United States to enter into such litigation to protect the interests of the United States.

e. The Operating Agency shall comply with Executive Order 13166, titled "Improving Access to Services by Persons with Limited English Proficiency." Executive Order 13166 requires that federally assisted agencies make reasonable efforts to provide language assistance to ensure meaningful access for Limited English Proficiency (LEP) persons to the agency's programs and activities. HUD guidelines on LEP were published in the Federal Register on January 22, 2007, and were effective February 21, 2007. These HUD guidelines should be applied to federally-subsidized housing, programs and other services which may be contracted out to other contractors.

f. The County ensures equal opportunity in the award and performance of any contract to all persons without regard to race, color, sex, religion, national origin, ancestry, age, marital status, or disability.

g. Should Operating Agency require additional or replacement personnel after the effective date of this Contract, Operating Agency shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program, or General Relief Opportunity For Work (GROW) Program who meet Operating Agency's minimum qualifications for the open position. The Operating Agency shall contact the County's GAIN/GROW Division at (626) 927-5354 for a list of GAIN/GROW participants by job category.

h. The Operating Agency is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative contract, and any extension, continuation, renewal, amendment or modification of said documents.

   Should the Operating Agency or persons/subcontractors acting on behalf of the Contract fail to fully comply with the Federal Lobbyist Requirements civil penalties may result.

i. Operating Agency and each County lobbyist or County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance

93-0031), retained by the Operating Agency, shall fully comply with the requirements as set forth in said County Code Chapter.

Failure on the part of the Operating Agency and/or its Lobbyist(s) to fully comply with said County Lobbyist requirements shall constitute a material breach of the Contract upon which the County may immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the County and/or any federal agency as a result of such breach.

j. The Supervision of Trustees and Fundraisers For Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB1262, Chapter 919) increased the Charitable Purposes Act requirements. By requiring subrecipients to complete the "Charitable Contributions Certification" form attached hereto as Exhibit C, the County seeks to ensure that all non-profit agencies that contract with the County and receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A subrecipient that receives or raises charitable contributions without complying with its obligation under California law commits a material breach, upon which the County may immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the County and/or any federal agency as a result of such breach.

9. LOBBYING CERTIFICATIONS. The following is applicable to projects utilizing funds received from the annual allocation.

The undersigned certify, to the best of their knowledge and belief, that:

(a.) The Operating Agency is familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Operating Agency will comply with the County Code.

(b.) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(c.) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant, loan,

or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(d.) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

10. CONFIDENTIALITY OF REPORTS. Operating Agency shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the County.

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

12. SEVERABILITY. In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

13. INTERPRETATION. No provision of this Contract shall be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if both parties drafted it hereto.

14. WAIVER. No breach of any provision hereof can be waived unless in writing. Waiver of breach of any provision herein shall not be deemed to be a waiver of additional breaches of the same provision or breach of any other provision herein.

15. PROGRAM EVALUATIONS AND REVIEW. Operating Agency shall make available for inspection to authorized County and HUD personnel and their agents, for five years (5) after the termination or expiration of this Contract, all records, including financial, pertaining to its performance under this Contract and allow said County and HUD personnel and agents to inspect and monitor Operating Agency's facilities and program operations, and interview Operating Agency's staff and program participants, as required by the County and/or HUD.

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

16. REVERSION OF ASSETS. Upon expiration or termination of this Contract, the Operating Agency shall immediately transfer to the County any remaining CDBG funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of CDBG funds. Any real property under the Operating Agency's ownership or possession that was acquired or improved in whole or in part with CDBG funds in excess of $25,000 shall be either:

i. Used to meet one of the national objectives in 24 CFR Section 570.208 for five (5) years following the close-out of the CDBG grant from which assistance to the property was provided after expiration of this Contract (24 CFR Section 570.503), or such longer period of time as may be specified in the Exhibit A; or

ii. Disposed of in a manner, which results in the County being reimbursed in the amount of the current market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time and under the conditions specified in subparagraph i above.

The Operating Agency shall maintain the use of the real property and documentation verifying compliance with the national objective for a period of five (5) years after closeout of this project, per 24 CFR Section 570.505, Use of Real Property, which states, "[t]he standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of $25,000." These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program, or, with respect to other recipients, until five years after the closeout of the grant from which assistance to the property was provided. The Operating Agency must submit to the County a completed certification form verifying that the property is used exclusively for the eligible use and purpose as provided in the Exhibit A. This form shall be submitted on an annual basis, when requested, beginning in year two (2) and for a period of five (5) years after closeout of the project. In case of a change of use or disposition, the County must be reimbursed for the then current market value of the property, or proceeds from the sale, less the pro rata share of expenditures made with non-CDBG funds to acquire or improve the property.

17. PROGRAM INCOME. Upon termination of this Contract, the County reserves the right to determine the final disposition of any program income, as described in 24 CFR Section 570.504 accumulated under the project(s) set forth in Exhibit A. Said disposition may include the County taking possession of said program income.

18. NONEXPENDABLE PROPERTY. Nonexpendable property means leased and purchased tangible personal property, such as office equipment, having a useful life of more than one (1) year and/or an acquisition cost of $5,000 or more per unit. Nonexpendable property shall also include, but not be limited to real property, and any interest in real property (including any mortgage or other encumbrance of real property), and funds derived from the sale or disposition of nonexpendable property.

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

The Operating Agency shall maintain up-to-date property records, listing all non-expendable property purchased with an acquisition cost of $5,000 or more that it has leased or purchased during the term of this Contract. The following items should be included in the list: description of property, serial or ID number, source of funds that purchased the item (including the award number), owner of property, date of purchase, cost, percentage of cost paid with Federal monies, location, condition and use of property, date of disposal, and sale price or method used to determine the current market value. The Operating Agency shall conduct a physical inventory of the nonexpendable property at least once a year, reconcile the inventory with its property records and maintain these records for five years (5) after the termination or expiration of this Contract. In the event there is a change of use or disposition of the property during the term of the contract, except in the case of real property in excess of $25,000, if the market value of the property is over $5,000, the Operating Agency shall immediately pay to the County a pro-rata share of the then current market value of the property, or proceeds from the sale. The pro-rata share shall be calculated by multiplying the then current market value by the percentage of the purchase price paid with CDGB funds or program income.

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

19. PURCHASE OR LEASE OF NONEXPENDABLE PROPERTY. Operating Agency shall obtain three (3) documented bids prior to purchasing or leasing any nonexpendable personal property as approved in Exhibit A, Project Description and Activity Budget. The Operating Agency must purchase or lease from the lowest, responsive and responsible bidder. Operating Agency shall properly identify and inventory all nonexpendable property purchased or leased for $5,000 or more, pursuant to the Contract. Operating Agency shall provide said inventory to the County upon request.

20. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accounting system in accordance with generally accepted accounting principles and standards, and the County Auditor-Controller Contract Accounting and Administration Handbook. Regardless of the Operating Agency's method of accounting, expenses must be reported in accordance with Sections 5 and 45 of this Contract.

21. CHANGES. The County may, from time to time, request changes hereunder, including the scope of services of the Operating Agency. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the County and the Operating Agency, shall be incorporated into this Contract by written amendments. Any changes by HUD to the regulations or requirements governing Operating Agency's performance hereunder need not be incorporated by written amendment and will be binding upon Operating Agency upon notification by County.

22. CHANGES IN GRANT ALLOCATION. The County reserves the right to reduce the grant allocation when the County's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation with the Operating Agency. Such changes shall be incorporated into this Contract by written amendments.

23. CITIZEN PARTICIPATION. All program data necessary to provide reports to citizens will be made available by the Operating Agency. Discussions will be held often enough so that the Operating Agency will be adequately apprised of citizen recommendations during the course of the program. Operating Agency representatives shall be available to respond to questions and receive recommendations at local meetings when so requested by the Executive Director or his designee.

24. REVENUE DISCLOSURE REQUIREMENT. Upon request, Operating Agency shall file with the County a written statement listing all revenue received, or expected to be received, by Operating Agency from Federal, State, City or County sources, or other governmental agencies, and applied for, or expected to be applied for, to offset, in whole or in part, any of the costs incurred by Operating Agency in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Such statement shall reflect the name and a

description of such business activity, the dollar amount of funding provided, or to be provided, by each and every governmental agency for each such project or business activity, and the full name and address of each governmental agency. Operating Agency shall make available for inspection and audit to County's representatives, upon request, at any time during the duration of this Contract, and for a period of five (5) years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or in part with governmental monies, including the project(s) funded under this Contract, whether or not such monies are received through County. All such books and records shall be maintained by Operating Agency at a location in Los Angeles County.

Failure of Operating Agency to comply with the requirements of this Section 24 of this Contract shall constitute a material breach of contract upon which County may immediately cancel, terminate or suspend this Contract through its Executive Director.

25. JOINT FUNDING. For projects in which there are sources of funds in addition to CDBG funds, Operating Agency may be required to provide proof of such other funding. The County shall not pay for any costs incurred by Operating Agency, which are paid with other funds. All restrictions and/or requirements provided for in this Contract, relative to accounting, budgeting and reporting, apply to the total project regardless of funding sources. Separate financial records shall be kept for each funding source and program.

26. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, 24 CFR Part 85 and OMB Circular A-87, and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of Federal funds for this program. Also, the Operating Agency gives assurance and certifies with respect to the project specified in Exhibit A, that it will comply with all of the provisions of 24 CFR Section 570.303 and all other laws and regulations which pertain to assurances of program applicants. Furthermore, the Operating Agency gives assurance and certifies that it will comply with provisions of 41 CFR Part 60-1.4 and 24 CFR Part 135, each of which is incorporated herein by this reference. Operating Agency further assures and certifies that it will comply with any further amendments or changes to said required assurances and certifications and that, during the term of this Contract, it will maintain current copies of said assurances and certifications at the address specified below.

27. NOTICES. All notices shall be served in writing. The notices to the Operating Agency shall be sent to the following address:

Harbor Area Gang Alternatives Program
309 W. Opp Street
Wilmington, CA

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

Executive Director
Community Development Commission of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

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

28. ASSIGNMENT. Operating Agency may not assign any portion of this Contract without the express written consent of the County. Any attempt by Operating Agency to assign any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract, upon which the County may immediately terminate this Contract through the Executive Director or his designee.

29. SUBCONTRACTING. The requirements of this Contract may not be subcontracted by the Operating Agency without the advance approval of the County. Any attempt by the Operating Agency to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

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

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

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

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

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

The County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After

approval of the subcontract by the County, the Operating Agency shall forward a fully executed subcontract to the County for their files.

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

The Operating Agency shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. The Operating Agency shall ensure delivery of all such documents to the Commission's Risk Manager before any Subcontractor employee may perform any work hereunder.

30. NOTICE OF FEDERAL EARNED INCOME CREDIT. Operating Agency shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

31. FISCAL LIMITATIONS. The United States of America, through HUD, may in the future place programmatic or fiscal limitation(s) on CDBG funding. Accordingly, the County reserves the right, in its sole discretion, to revise this Contract in order to take into account actions and events affecting CDBG program funding. In the event of a CDBG funding reduction by HUD, the County may, in its sole discretion, reduce the compensation amount of this Contract in whole or in part, or may limit the rate of the Operating Agency's use of both its uncommitted and its unspent funds. The Executive Director, or his designee, may act for the County in implementing and effecting such a reduction in the compensation amount of this Contract.

Where the Executive Director, or his designee, has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Contract of the Operating Agency, the County, through the Executive Director, or his designee, may suspend this Contract for up to sixty (60) days, upon three (3) days notice to Operating Agency, pending an audit or other resolution of such questions. In no event, however, shall a revision made by the County affect expenditures and legally binding commitments made by the Operating Agency before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, that such commitments are consistent with HUD cash withdrawal guidelines, and that CDBG funds are available to County to satisfy such expenditures or legally binding commitments.

32. USE OF FUNDS FOR ENTERTAINMENT, MEALS OR GIFTS. Operating Agency certifies and agrees that it will not use funds provided through this Contract to pay for entertainment, meals or gifts.

33. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State and County laws and regulations governing conflict of interest including, but not limited to, 24 CFR Section 570.611 and 24 CFR Part 85, Section 85.36(b). To this end, the Operating Agency will make available to its agents and employees copies of all applicable Federal, State and County laws and regulations governing conflict of interest.

The Operating Agency represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the County or Commission. Upon execution of this Contract and during its term, as appropriate, the Operating Agency shall, disclose in writing to the County any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the County's and/or Commission's interest and the interests of the third parties.

34. BUDGET MODIFICATIONS. The Executive Director or his designee, who shall be a Division Director or higher, may grant budget modifications to this Contract for the movement of funds between the budget categories identified in Exhibit A, when such modifications:

i. Are specifically requested by Operating Agency;
ii. Will not change the project goals or scope of services;
iii. Are in the best interest of the County and Operating Agency in performing the scope of services under this Contract;
iv. Do not alter the total amount of compensation under this Contract; and
v. When such modifications are in writing prior to expenditures being made.

35. TIME OF PERFORMANCE MODIFICATIONS. The Executive Director or his designee, who shall be a Division Director or higher, may grant time of performance modifications to this Contract when such modifications:

i. In aggregate do not exceed twelve (12) calendar months;
ii. Are specifically requested by Operating Agency;
iii. Will not change the project goals or scope of services;
iv. Are in the best interests of the County and Operating Agency in performing the scope of services under this Contract;
v. Do not alter the total amount of compensation under this Contract; and
vi. Are in writing prior to expenditures being made.

36. AUDIT EXCEPTIONS. Operating Agency agrees that in the event the program established hereunder is subject to audit exceptions by appropriate audit agencies, it shall be responsible for complying with such exceptions and paying the County

the full amount of County's liability to the funding agency resulting from such audit exceptions.

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

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

38. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.

39. AMENDMENTS/VARIATIONS. This writing, with attachments, embodies the whole of the agreement of the parties hereto. No oral agreement shall be binding upon the parties unless expressly stated herein. Except as provided herein, any addition to or variation of the terms of this Contract shall not be valid unless made in the form of a written amendment of this Contract formally approved and executed by both parties. All Amendments must be received by County no more than sixty (60) calendar days from the expiration date of this Contract. No amendments will be accepted after April 30th of the program year.

40. ACQUISITION OF SUPPLIES AND EQUIPMENT. Following approval by the County for necessary supplies and equipment for Contract performance, the Operating Agency may purchase from a related agency/organization only if: (a) prior authorization is obtained in writing from the County, (b) no more than maximum prices or charges are made and no more than minimum specifications are met, as provided in writing by the County, (c) a community related benefit is derived from such Operating Agency related acquisition, and (d) no conflict of

interest for private gain accrues to the Operating Agency or its employees, agents or officers.

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

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

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

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

44. INDEMNIFICATION. The Operating Agency agrees to indemnify, defend and hold harmless the County, the Commission, the Housing Authority of the County of Los Angeles (Housing Authority), and their elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Operating Agency's acts and/or omissions arising from and/or relating to this Contract.

45. FINANCIAL CLOSE OUT PERIOD. The Operating Agency agrees to complete all necessary financial close out procedures required by the Executive Director or designee, within a period of not more than sixty (60) calendar days from the expiration date of this Contract. This time period will be referred to as the financial close out period. The County is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial close out period. After the expiration of the financial close out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by County into other eligible activities in the County. The Executive Director, or his designee, may request a final financial audit for activities performed under this Contract at the expiration of the financial close out period.

46. NEPOTISM. Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by Operating Agency, unless this action is approved by the Operating Agency's governing body and waived by the County. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Operating Agency.

47. RELIGIOUS AND POLITICAL ACTIVITIES. Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.

48. USE OF FUNDS. All funds approved under this Contract shall be used solely for costs approved in the program budget for this Contract. Contract funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any nonprogram obligations, or as loans for nonprogram activities. Separate financial records shall be kept for each funding source and program.

49. REPORTS AND RECORDS. Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by the County. Program progress reports shall be submitted as required. in the form specified by the Executive Director or his designee. Operating Agency shall maintain, and permit on site inspections of such property, personnel, financial and other records and accounts as are considered necessary by County to assure proper accounting for all Contract funds during the term of this Contract and for a period of five (5) years thereafter. Operating Agency will ensure that its employees and board members furnish such information, which, in the judgment of County representatives, may be relevant to a question of compliance with

contractual conditions, with County or granting agency directives, or with the effectiveness, legality and achievements of the program.

50. EXPENDITURES. Expenditures made by Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit A, unless prior written approval for an exception is obtained from Executive Director or his designee.

51. CERTIFICATION PROHIBITING USE OF EXCESSIVE FORCE. In accordance with Section 519 of Public Law 101-144, the undersigned certifies, to the best of his or her knowledge and belief that it has adopted and is enforcing:

i. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

ii. A policy of enforcing applicable State and local laws against individuals physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

52. DRUG-FREE WORKPLACE. Operating Agency agrees to provide a drug-free workplace by:

i. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

ii. Establishing an ongoing drug-free awareness program to inform employees about:

a. The dangers of drug abuse in the workplace;

b. The Operating Agency's policy of maintaining a drug-free workplace;

c. Any available drug counseling, rehabilitation, and employee assistance programs; and

d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

iii. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph i of this Section 52;

iv. Notifying the employee in the statement required by paragraph i of this Section 52 that, as a condition of employment under the grant, the employee will:

a. Abide by the terms of the statement; and

b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;

v. Notifying the County in writing, within ten (10) calendar days after receiving notice under subparagraph (iv)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

vi. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (iv)(b), with respect to any employee who is so convicted -

a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

vii. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs i, ii, iii, iv, v and vi.

53. SAFETY STANDARDS AND ACCIDENT PREVENTION. The Operating Agency shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Operating Agency shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Contract.

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

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

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

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

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

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

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

Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

58. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Failure of Operating Agency to maintain compliance with the requirements set forth in Section 57, Operating Agency's Warranty of Adherence to County's Child Support Compliance Program shall constitute a default by Operating Agency under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the Executive Director or his designee may terminate this Contract pursuant to Section 62, Termination for Cause.

59. POST MOST WANTED DELINQUENT PARENTS LIST. The Operating Agency acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Operating Agency understands that it is County's policy to voluntarily post a list entitled L.A's Most Wanted: Delinquent Parents poster in a prominent position at Operating Agency's place of business. The CSSD will supply the Operating Agency with the poster to be used.

60. COUNTY'S QUALITY ASSURANCE PLAN. The County will evaluate the Operating Agency's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Operating Agency's compliance with all Contract terms and performance standards. Operating Agency's deficiencies, which County determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Operating Agency. If improvement does not occur consistent with the corrective measure, County may terminate this Contract, pursuant to Paragraph 61 or 62, or impose other penalties as specified in this Contract.

61. TERMINATION FOR CONVENIENCE. The County reserves the right to cancel this Contract for any reason at all upon 30 days' prior written notice to Operating Agency. In the event of such termination, Operating Agency shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

62. TERMINATION FOR CAUSE. This Contract may be terminated by the County upon written notice to the Operating Agency for just cause (failure to perform satisfactorily) with no penalties incurred by the County upon termination or upon the occurrence of any of the following events in i, ii, iii or iv:

i. Should the Operating Agency fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner

or properly carry out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Operating Agency, and should the Operating Agency neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the County within the time specified in such notice, the County shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.

ii. Should the Operating Agency fail within five days to perform in a satisfactory manner, in accordance with the provisions of the Contract, or if the work to be done under said Contract is abandoned for more than three days by the Operating Agency, then notice of deficiency thereof in writing will be served upon Operating Agency by the County.

Should the Operating Agency fail to comply with the terms of said Contract within five days, upon receipt of said written notice of deficiency, the Executive Director or his designee shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.

iii. In the event that a petition of bankruptcy shall be filed by or against the Operating Agency.

iv. If, through any cause, the Operating Agency shall fail to fulfill in timely and proper manner the obligations under this Contract, or if the Operating Agency shall violate any of the covenants, Contracts, or stipulations of this Contract, the County shall thereupon have the right to terminate this Contract by giving written notice to the Operating Agency of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Operating Agency or under this Contract shall, at the option of the County become its property and the Operating Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

63. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of residential structure as defined in 24 CFR Section 40.2 or the definition of building as defined in 41 CFR Part 101, is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures and Appendix A to 41 CFR Parts 101-19 for general type buildings). The Americans with Disabilities Act (42 U.S.C. Section 12131; 47 U.S.C. Sections 155.201, 218 and 225) (ADA) provides comprehensive civil rights to individuals

with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

64. USE OF RECYCLED-CONTENT PAPER PROJECTS. Consistent with the County Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, the Operating Agency agrees to use recycled-content paper to the maximum extent possible in relation to this project.

65. EMPLOYEES OF OPERATING AGENCY. *Workers' Compensation:* Operating Agency understands and agrees that all persons furnishing services to the County pursuant to this Contract are, for the purposes of Workers' Compensation liability, employees solely of the Operating Agency. Operating Agency shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injuries arising from an accident connected with services provided to the County under this Contract.

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

66. CONTRACTOR RESPONSIBILITY AND DEBARMENT.

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

b. The Contractor is hereby notified that if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County, Commission, and/or Housing Authority contracts for a specified period of time, which generally will not to exceed five years but may exceed five years

or be permanent if warranted by circumstances, and terminate any or all existing contracts the Contractor may have with the County, Commission, and/or Housing Authority.

c. The County may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Housing Authority, or County, or a nonprofit corporation created by the Commission, Housing Authority, or County (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Housing Authority, or County or any other public entity, or a nonprofit corporation created by the Commission, Housing Authority, or County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the Commission, Housing Authority, County, or any other public entity.

d. If there is evidence that the Contractor may be subject to debarment, the County will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

e. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Commissioners.

f. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

g. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material

evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

h. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.

i. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

j. These terms shall also apply to subcontractors and subconsultants of County, Commission, or Housing Authority contractors, consultants, vendors and operating agencies.

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

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

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

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

c. The Operating Agency agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Contract or other understanding, if any, a notice advising the labor organization or workers' representative of the Operating Agency's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

d. The Operating Agency agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Operating Agency will not subcontract with any subcontractor where the Operating Agency has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

e. The Operating Agency will certify that any vacant employment positions, including training positions, that are filled (1) after the Operating Agency is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Operating Agency's obligations under 24 CFR Part 135.

f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

g. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

68. CONSTRUCTION/REHABILITATION PROJECTS. The Operating Agency shall submit a request to the County, to conduct a Contract and Labor Compliance File Review at least 30 calendar days prior to the anticipated completion of construction/rehabilitation activities, but in no event later than May 30th of the current fiscal year.

69. DISALLOWED COSTS. If Operating Agency has failed to return unexpended funds or funds spent for disallowed costs related to any CDBG Contract it has with the County, County may withhold and offset payments to be made to Operating Agency under this Contract.

70. PHOTOGRAPHS, FOOTAGE, AND OTHER MEDIA MATERIALS. Operating Agency represents and warrants that all photographs, videos, DVD's, footage, magazines, and other media materials provided to the County are either public record or have been legally procured without invading the copyright, ownership, or privacy rights of any individual. Operating Agency further agrees to defend, hold harmless, and indemnify the County from any and all liability, as described in Section 44, Indemnification, arising from or related to County's use of said photographs, videos, DVD's, footage, magazines, and other media materials.

71. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW. The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes.

72. OPERATING AGENCY'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW. The Operating Agency acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Operating Agency understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Operating Agency's place of business. The Operating Agency will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Operating Agency with the poster to be used.

73. WARRANTY OF AUTHORITY. The undersigned signatory for the Operating Agency covenants, warrants and guarantees that he/she is empowered and authorized to sign this Contract on behalf of Operating Agency in accordance with the terms and conditions stated herein.

74. ENTIRE CONTRACT. This Contract with attachments and any and all CDBG Bulletins, which the County may issue from time to time following the date of execution, constitute the entire understanding and agreement of the parties.

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

COUNTY OF LOS ANGELES

By: _____
WILLIAM K. HUANG,
Acting Executive Director
Community Development Commission
Of the County of Los Angeles

«HARBOR AREA GANG
ALTERNATIVES PROGRAM»
Operating Agency

By: _____

Title: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy

APPROVED AS TO PROGRAM:

WILLIAM K. HUANG,
Acting Executive Director
Community Development Commission
of the County of Los Angeles

By: _____
Director, CDBG Division

Community Development Commission
County of Los Angeles
Project Description and Activity Budget

Contract No. 101894 Version 0

PROJECT	OPERATING AGENCY
Project No: 601138-08 Title: Gang Prevention Education Funding Period: To: 6/30/2009 Jurisdiction: 2nd District	**Organization** Name: Harbor Area Gang Alternatives Program Type: CBO CDC Program Mgr: Matt Abney

Project Administration

Douglas L. Semark, Ph. D
Harbor Area Gang Alternatives Program
309 W. Opp St.
Wilmington, CA 90744

T: 310-519-7233
F: 310-519-8730

dougsemark@gangfree.org

Eligibility Summary

Funding Source: CDBG
HUD Code: 05I Crime Awareness/Prevention
Eligibility Citation: 570.201(e)
National Objective: LMC
Nat. Objective Citation: 570.208(a)(2) (B)
Est. Accomplishments: 500 Performance Indicator: People (General)

Activity Summary

This is a new project administered by the Harbor Area Gang Alternatives Program. The Gang Prevention Education program is a 30 minute education curriculum that will be administered once a week for eight weeks to 4th grade classes in the following LAUSD schools:

Miramonte Elementary School
1400 E 68th St.
Los Angeles, CA 90001

Russell Elementary School
1263 E Firestone Blvd.
Los Angeles, CA 90001

Parmelee Elementary School
1338 E 76th Pl.
Los Angeles, CA 90001

Each course will cover different components of the Gang Prevention Education and will also include student pre- and post-surveys as well as teacher surveys and a final culmination ceremony. Approximately 500 students will be served by the program for a total of 4,000 client contacts.

CDBG funds will be used for personnel and non-personnel costs.

Special Conditions

The Operating Agency shall maintain income documentation to insure that at least 51 percent of program beneficiaries are of low- and moderate-income.

The Operating Agency must maintain payroll and time and attendance records signed by the employee and approved by the supervisor. Time distribution records will also be kept by program and shall account for total work time on a daily basis for all employees.

The Operating Agency will comply with procurement standards outlined in, 24 CFR, Part 84, Section 84.44, entitled Procurement Procedures, for the purchase of all goods and contracted services using CDBG or ESG funds.

The Operating Agency shall maintain during the term of this Contract and for a period of five (5) years after the expiration of the contract complete and adequate financial records and accounts as considered necessary by the Community Development Commission (CDC) to assure proper accounting for all program funds and to support all program expenditures. These records and accounts shall include, but not be limited to, the following:

* A double-entry General Ledger that supports the costs charged to the CDBG or ESG Program;
* Records documenting procurement of goods and services;
* Contracts for goods or services;
* Lease or Rental Agreements;
* Invoices;
* Billing Statements;
* Cancelled Checks;
* Timecards signed by employees and supervisors;
* Personnel Authorization Records;
* Payroll Registers;
* Payroll Tax Records;
* Bank Statements;

* Bank Reconciliations; and
* Documentation to support the allocation of costs.

The Operating Agency shall confirm that each applicant counted toward the CDBG-funded activity's actual accomplishments resides within the contract service area; thereby ensuring benefits to residents of the unincorporated areas of the funding Supervisorial District.

Contracted Services/Subrecipients

Funding Summary

Cost Category	Amount
Personnel	$30,122.00
Non-Personnel	$13,878.00
Total	**$44,000.00**

Location

Name: Gang Alternatives Program

Address: 309 W. Opp St.

City: Wilmington

Service Area

Region	Population	Low/Mod Pop
5327.00 BG 1 FLORENCE - SUP DIST 1 (U)	418	385
5327.00 BG 2 FLORENCE - SUP DIST 1 (U)	1,143	933
5327.00 BG 3 FLORENCE - SUP DIST 1 (U)	1,216	1,033
5328.00 BG 1 FLORENCE - SUP DIST 2 (U)	2,232	1,726
5328.00 BG 2 FLORENCE - SUP DIST 2 (U)	2,155	1,594

5329.00 BG 1 FLORENCE - SUP DIST 2 (U)	587	502
5329.00 BG 2 FLORENCE - SUP DIST 2 (U)	1,668	1,236
5329.00 BG 3 FLORENCE - SUP DIST 2 (U)	2,749	2,265
5329.00 BG 4 FLORENCE - SUP DIST 2 (U)	1,385	1,166
5330.00 BG 1 FLORENCE - SUP DIST 1 (U)	2,220	1,818
5330.00 BG 2 FLORENCE - SUP DIST 1 (U)	1,920	1,461
5330.00 BG 3 FLORENCE - SUP DIST 1 (U)	1,364	1,070
5330.00 BG 4 FLORENCE - SUP DIST 1 (U)	1,629	1,139
5350.00 BG 1 FLORENCE - SUP DIST 2 (U)	1,571	1,175
5350.00 BG 2 FLORENCE - SUP DIST 2 (U)	1,110	938
5350.00 BG 3 FLORENCE - SUP DIST 2 (U)	1,439	1,199
5350.00 BG 4 FLORENCE - SUP DIST 2 (U)	1,629	1,332
5350.00 BG 5 FLORENCE - SUP DIST 2 (U)	2,166	1,688
5351.01 BG 1 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,563	956
5351.01 BG 2 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	996	840
5351.01 BG 3 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	836	556
5351.01 BG 3 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	836	556
5351.01 BG 4 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,888	1,386

5351.01 BG 4 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,888	1,386	
5351.01 BG 5 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,481	1,115	
5351.01 BG 5 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,481	1,115	
5351.02 BG 1 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,807	1,380	
5351.02 BG 2 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,012	686	
5352.00 BG 1 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,883	1,344	
5352.00 BG 2 GRAHAM (FIRESTONE) - SUP DIST 2 (U)	1,848	1,394	
Grand Total:	**46,120**	**35,374**	**76.70% Low/Mod**

EXHIBIT B

INSURANCE REQUIREMENTS FOR OPERATING AGENCY

In order for the Operating Agency to meet its obligations to the community and insure its continuance, the Community Development Commission of the County of Los Angeles (CDC), the Housing Authority of the County of Los Angeles (HA) and the County of Los Angeles (County) requires that prior to the execution of this contract, the Operating Agency must provide evidence that all insurance requirements have been met. Evidence of said insurance shall consist of **Certificates of Insurance** and original endorsements as required, having been reviewed and approved as being sufficient by the CDC. Consequently, the Operating Agency will ensure that all sub-recipients, sub-contractors, or sub-consultants, doing work on behalf of the Operating Agency, shall comply with applicable insurance laws and requirements and maintain current coverage and certification.

Any lapse of required insurance coverage during the term of this Contract shall constitute an event of default hereunder. CDC shall notify Operating Agency in writing of said event of default and give Operating Agency ten (10) working days from the date of the letter to respond. If no response is received from Operating Agency after said period of time, the CDC shall notify Operating Agency in writing that it has five (5) working days to fully comply with the insurance requirements herein, and provide proof of said compliance to the CDC, in order to cure said event of default. If said event of default is not cured within the cure period, the CDC may immediately terminate the Contract for cause. No funds will be advanced, reimbursed, or disbursed until all insurance requirements have been met and evidence of said insurance consisting of **Certificates of Insurance** and original endorsements as required, have been reviewed and approved as being sufficient by the CDC. There absolutely will be no reimbursement of costs for the default and cure periods.

Any exceptions to the insurance requirements as set forth herein, would be granted only on a case by case basis. Prior to the Operating Agency receiving funds, the CDC or the HA will review the activities of the Operating Agency. Operating Agency activities that present no meaningful exposure to the CDC, the HA and the County may have certain insurance coverages waived by the CDC Risk Management Administrator upon the written request of the Operating Agency.

INDEMNIFICATION:

Operating Agency shall indemnify, defend and hold harmless the CDC, the HA, the County, and their appointed officials, employees, agents or volunteers ("Covered Entities") from and against any and all liability, including but not limited to demands, claim actions, fees, costs and expenses (including attorney and expert witness fees); arising from or connected with Operating Agency acts and/or omissions arising from and/or relating to this agreement.

Without limiting its indemnification of the "Covered Entities", the Operating Agency shall be required, if funded, to provide the following insurance or evidence of formal self-insurance to meet contract requirements:

1. **GENERAL LIABILITY INSURANCE:** Written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following: **$1,000,000, per occurrence; $2,000,000** general aggregate. Higher limits may be required depending on the type of services provided. This protects an Operating Agency against claims for injury or property damage brought by members of the public as a result of the Operating Agency's activities. It is not now uncommon for a jury to award $1 million in judgments for successful claims, and regardless of the outcome, defense costs can be enormous. **General Liability Insurance** should pay the jury award and costs, thereby protecting the Operating Agency's assets and insuring its' continuance. The CDC cannot endorse Operating Agency, that is not financially responsible. It is in the best interests of the community for the CDC to maintain insurance and encourage the continuance of the services provided by the Operating Agency. In cases where the activities for the Operating Agency present no meaningful **General Liability exposure** to the "Covered Entities", the CDC Risk Management Administrator may waive this coverage upon the written request of the Operating Agency. General Liability forms also exclude claims arising from the use of automobiles, and separate coverage is required.

2. **ADDITIONAL GENERAL LIABILITY COVERAGE REQUIREMENTS:** General liability policies shall be endorsed to contain the following provisions:

   A. The "Covered Entities" are to be covered **as additional named insureds by endorsement with respect to liability arising out of activities performed by or on behalf of the Operating Agency, including products and completed operations, premises owned, leased, or used. Endorsement shall be included as part to the Operating Agency's file.**

   B. The insurance coverage shall be primary insurance with respect to the "Covered Entities". Any insurance or self-insurance maintained by the "Covered Entities" shall be in excess of the insurance and shall not contribute to it. Coverage shall state that the insurance shall apply separately to each insured against whom the claim is made or suit is brought, except with respect to the limits of the insurer's liability

3. **AUTOMOBILE LIABILITY INSURANCE:** Written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than **$1,000,000** per accident. Such insurance shall include coverage for all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto". An Operating Agency should insure automobiles which they own. It should also be noted, however, that an Operating Agency can be held responsible for claims arising from its use of automobiles owned by volunteers, employees or contractors when conducting organization business. For this exposure, non-owned automobile liability coverage is required. This can be purchased in conjunction with most General Liability policies at a small additional premium. In cases where the funds for the activities given to the Operating Agency present no meaningful **Automobile Liability Exposure** to the "Covered Entities", the CDC Risk Management Administrator may waive coverage upon written request from the Operating Agency.

4. **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE:** Provide workers' compensation benefits as required by the Labor Code of the State of California, and in all cases, this insurance shall include Employers' Liability coverage Limits of not less than the following for **$1,000,000 per accident.** Even if an Operating Agency has no regular employees, it can be held responsible for the payment of **workers' compensation benefits** for volunteers who can show that they are being recompensed for their services in some way by the Operating Agency.

   Basic coverage is almost always necessary to protect an Operating Agency and to insure compliance with the State Labor Code.

5. **CRIME COVERAGE FOR EMPLOYEE THEFT: The Operating Agency musg have coverage for the total amount of the grant.** This is required to safeguard federal funds held or used by the Operating Agency Incidents have occurred in the past where federal funds have been stolen or embezzled by an Operating Agency employee, and the Operating Agency has been financially unable to recover the loss. Coverage should be written on a Discovery Form.

6. **PROFESSIONAL LIABILITY INSURANCE:** If applicable, in an amount of **not less than $100,000,000 aggregate** combined single limit, unless this requirement has been waived in writing. This extends coverage claims arising from negligent professional activities such as medical treatments, psychiatric or financial counseling, etc. These exposures are excluded under the general liability form. In cases where the activities for the Operating Agency present no meaningful professional exposure, the CDC Risk Management Administrator may waive compliance with this contract provision upon written request.

7. **PROPERTY COVERAGE:** If applicable, and if, under the terms of Contract, the Operating Agency will have possession of, rent, lease or be loaned County-owned real or nonexpendable personal property, the Operating Agency may be required to insure the property for replacement cost under Special Form Coverage. The CDC shall be named on a Lenders Payable Endorsement. Evidence of this endorsement shall be sent to the Commission and retained in the Operating Agency file. Coverage shall be in effect for 3 years, at which time the property shall be deemed owned by the organization, with no insurable interest of the CDC.

NOTICE OF CANCELLATION

Except for non-payment of premium, each insurance policy shall be endorsed to state that the coverage shall not be suspended, voided, or canceled by either party or reduced in coverage except after thirty (30) days prior written notice has been given to the CDC.

SELF-INSURANCE

Where Agency are totally self-insured for any of the coverages required, or where deductibles or self-insured retentions exceed the limits of coverage required, evidence of a formal funded program of self-insurance will be accepted in lieu of commercial insurance. The Agency shall

fully protect the "Covered Entities" in the same manner as their interest would have been protected had commercial insurance been in effect.

ACCEPTABLE INSURANCE CARRIERS

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California, or carriers with a rating equivalent to, A+ by A.M. Best & Co. Carriers not admitted in California, shall be subject to LESLI list on file with the California Department of Insurance. Any deviation from this rule shall require specific approval in writing from the CDC.

CHARITABLE CONTRIBUTIONS CERTIFICATION

Company Name

Address

Internal Revenue Service Employer Identification Number

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act, which regulates those receiving and raising charitable contributions.

CERTIFICATION	YES	NO
Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a Community Development Commission (CDC) and/or Housing Authority contract, it will timely comply with them and provide the CDC and/or Housing Authority a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.	( )	( )

OR

	YES	NO
Proposer of Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.	( )	( )

Signature

Date

Name and Title (please type or print)