



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Cordé D. Carrillo
Acting Executive Director

March 31, 2009

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE THE AWARD OF A RECERTIFICATION SERVICES CONTRACT FOR
THE HOUSING CHOICE VOUCHER PROGRAM
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of an award of a recertification services contract for the Housing Choice Voucher Program to McKay Management Services to complete approximately 7,000 recertifications. This will bring the Housing Authority into compliance with U.S. Department of Housing and Urban Development (HUD) regulations requiring annual recertification of each Program participant and minimize future delinquencies.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of an award of a recertification services contract for the Housing Choice Voucher Program is not subject to the provisions of the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.
2. Approve and authorize the Acting Executive Director to execute a one-year recertification services contract (Contract) with McKay Management Services, attached in substantially final form, for recertification services for the Housing Choice Voucher (Section 8) Program; and authorize the Acting Executive Director to use for this purpose a total of \$751,840 in Section 8 Administrative Reserves.
3. Authorize the Acting Executive Director to amend the Contract as necessary and to allow a 10% contingency if necessary to meet the goals

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

2-H MARCH 31, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER



of the Housing Choice Voucher Program as they relate to this recertification project, using Section 8 Administrative Reserves.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a Contract to McKay Management Services to complete approximately 7,000 tenant recertifications, also known as reexaminations, for Section 8 Program participants.

FISCAL IMPACT/ FINANCING

There is no impact on the County general fund. Section 8 Administrative Reserves will fund the Contract for a total of \$751,840. The compensation may be increased by up to 10% for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Housing Authority administers the Section 8 Program, providing rental assistance for more than 20,000 qualified low- and moderate-income families. In accordance with 24 CFR 982.516(a), the Housing Authority is required to recertify the eligibility status of each Section 8 Program participant at least annually. Annual recertification is required to assure that tenancy is restricted to participants meeting the eligibility requirements established by the U.S. Department of Housing and Urban Development (HUD) for continued occupancy. Reexamination of participants' income and assets during the annual recertification process also assures that appropriate tenant rents are charged.

Completing annual recertification examinations is one of the 14 factors ("Indicators") upon which HUD evaluates the Housing Authority's administration of the Section 8 Program, using their Section 8 Management Assessment Program (SEMAP). In order to receive any points for SEMAP Indicator 9, "Completing Annual Reexaminations", the Housing Authority must timely complete a minimum of 90% of its annual recertifications. The Housing Authority needs to complete 8,187 reexaminations for Fiscal Year 2008-09 by June 30, 2009. Staff is completing approximately 2,000 reexaminations per month on average; however additional support is necessary to ensure all required reexaminations are completed for Fiscal Year 2008-2009 and to start processing 5,386 reexaminations effective July, August and September 2009.

The proposed Contract with McKay Management Services will provide for the completion of approximately 7,000 reexaminations. McKay Management Services would be responsible for completing the entire annual recertification process for the approximate 7,000 tenant files. This includes collecting and verifying program participants household and income information, calculating rent shares, completing all required data entry, notifying tenants and owners of the new contract and tenant rents, and submitting all required documents and reports to HUD. McKay Management

Services will be paid a fee of \$107.41 for each accurately completed recertification that is successfully transmitted to HUD.

The Contract has been approved as to form by County Counsel. At its meeting of March 25, 2009, the Housing Commission recommended approval of the Contract award.

ENVIRONMENTAL DOCUMENTATION

This activity 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 an administrative activity that will not have a physical impact on or results in any physical changes to the environment. The activity is also 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.

CONTRACTING PROCESS

On February 5, 2009, a Request for Proposals (RFP) was advertised in four local newspapers and on the Housing Authority's and the County's websites. RFP Notices were mailed to 187 agencies identified from the Housing Authority's vendor list of management consultants. Twenty-six consultants requested and received the solicitation package. As a result, four proposals were received by the deadline of February 20, 2009.

On February 25, 2009, an evaluation panel comprised of Housing Authority staff reviewed and ranked the proposals according to the RFP requirements and Housing Authority policy. The proposals were ranked based on the consultants' background and experience, performance history, financial capability, approach to providing the required services, quality control plan, and cost proposal.

The combined evaluation of the written business proposals and cost proposals using the established evaluation factors determined the final selection of McKay Management Services. No appeals were received regarding the recommended award. The Summary of Outreach Activities is provided with this letter as Attachment A.

IMPACT ON CURRENT PROJECT

McKay Management Services will complete approximately 7,000 Section 8 Program recertifications. This will bring the Housing Authority into compliance with HUD regulations requiring annual recertification of each Program participant and minimize future delinquencies. It will also ensure that the Housing Authority receives points on this Indicator in the annual Section 8 Management Assessment Program. Timely completion of recertification ensures that participant families contribute their fair share of

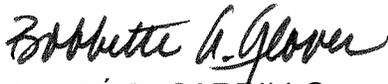
Honorable Board of Commissioners

March 31, 2009

Page 4

the total monthly rent based on their current adjusted income and family composition. Lastly, executing this Contract will largely eliminate the need for Housing Authority operations employees to accrue overtime and compensatory time to complete the recertifications.

Respectfully submitted,


for  CORDÉ D. CARRILLO
Acting Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Request for Proposals (RFP) for Housing Choice Voucher Program Recertifications

On February 5, 2009, the following activities were initiated to identify the most qualified contractor to provide the necessary services for the Housing Choice Voucher Program.

A. Newspaper Advertising

Beginning February 5, 2009, notice of the RFP appeared in the following four newspapers.

Eastside Sun
Los Angeles Independent
Los Angeles Sentinel
Montebello News
Southwest Wave

The notice and complete RFP was posted on the Community Development Commission (CDC) Web Site for a 15-day advertisement period. The notice was also posted on the County of Los Angeles Bids and Contracts website. Firms were asked to download the RFP from the CDC Web Site or request the RFP via email from the procurement coordinator listed in the notice.

B. Distribution of RFP

The Housing Authority's vendor list was used to mail the announcement of the RFP to 187 management consulting firms. 26 consultants requested and received the solicitation package. As a result, four proposals were received by the deadline of February 20, 2009.

C. Request for Proposals (RFP)

On February 20, 2009 a total of four firms submitted business and cost proposals. Two of these firms identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women or publicly-owned businesses in which 51 percent of the stock are owned by minorities or women).

D. Review of Proposals

On February 25, 2009, a review panel of Housing Authority professionals evaluated the performance of the firms and determined that McKay Management Services most closely met the requirements specified in the RFP and Statement of Work to provide the necessary services. McKay Management Services cost proposal for completing the recertifications was \$751,840 thus the proposed Contract for this amount. The cost proposals for the other three agencies were as follows:

CGI Federal	\$ 630,000.00
MDStrum Housing Services	\$1,453,176.00
Quadel Consulting	\$1,678,139.78

E. Minority/Women Participation – Firm Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
McKay Management Services, LLC	Woman	Total: 6 1 minority 3 women 17% minority 50% women

F. Minority/Women Participation – Firm Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
MDStrum Housing Services	Minority Woman	Total: 18 17 minorities 10 women 94% minority 56% women
Quadel Consulting	Non-Minority	Total: 436 310 minorities 321 women 71% minority 74% women
CGI Federal	Non-Minority	Total: 1650 631 minorities 750 women 38% minority 45% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority. The recommended award of contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

**CONTRACT BY AND BETWEEN THE
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
AND
MCKAY MANAGEMENT SERVICES**

This Contract is made and entered into this ___ day of _____ 2009, by and between the Housing Authority of the County of Los Angeles, hereinafter referred to as "Housing Authority", and McKay Management Services, LLC, hereinafter referred to as "Contractor."

RECITAL

1. PURPOSE

The Contractor is in the business of providing needed services. On February 20, 2009, in response to the Housing Authority's Request for Proposals, Contractor submitted a proposal to furnish the hereinafter-described services to the Housing Authority.

TERMS AND CONDITIONS

2. TERM

This Contract shall commence this ___ day of _____, 2009 and shall remain in full force and effect for one year until the _____ day of _____ 2010, unless sooner terminated as provided herein.

3. CONTRACTOR'S RESPONSIBILITIES

The Contractor agrees to perform in a good workmanlike manner, to the satisfaction of the Housing Authority's Executive Director, all the work described in the attached Statement of Work, Attachment A.

4. COMPENSATION

The Contractor shall submit to the Housing Authority on the 10th day of each month an invoice on a form approved by the Housing Authority for services rendered, as described on in Attachment A, Statement of Work. Upon receipt and approval, the Housing Authority shall pay the Contractor within thirty (30) days of receipt and approval of the invoice in accordance with Attachment B, Fee Schedule. The total amount of compensation under this Contract will not exceed Seven Hundred Fifty One Thousand Eight Hundred and Forty Dollars (\$751,840) plus a 10% contingency which shall include all related expenses.

The Contractor shall be paid in accordance with the Housing Authority's standard accounts payable system.

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

5. SOURCE AND APPROPRIATION OF FUNDS

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (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 Housing Authority will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

6. TERMINATION FOR IMPROPER CONSIDERATION

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

The Contractor shall immediately report any attempt by a Housing Authority officer or employee to solicit such improper consideration. The report shall be made either to the Housing Authority's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

7. ASSIGNMENT BY CONTRACTOR

The Contractor shall not assign its rights or delegate its duties under the Contract, or both, whether in whole or in part, without the prior written consent of the Housing Authority, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, Housing Authority consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the Housing Authority to any approved delegate or assignee on any claim under the Contract shall be deductible, at the Housing Authority's sole discretion, against the claims, which the Contractor may have against the Housing Authority. However, the Housing Authority reserves the right to assign this Contract to another public agency without the consent of the Contractor.

Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is affected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the Housing Authority in accordance with applicable provisions of this Contract.

Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the Housing Authority's express prior written approval, shall be a material breach of the Contract which may result in the termination of the Contract. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8. CONFIDENTIALITY OF REPORTS

The Contractor 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 Housing Authority.

9. SUBCONTRACTING

The Contractor may subcontract only those specific portions of work allowed in the original specifications covered by this Contract with prior written approval by the Housing Authority.

The Contractor shall not subcontract any part of the work covered by this Contract or permit subcontracted work to be further subcontracted without prior written approval by the Housing Authority.

10. INSURANCE

Without limiting Contractor's duties to indemnify and defend the Housing Authority provided in this Contract, Contractor shall procure and maintain, at Contractor's sole expense for the duration of this Contract, the insurance policies described herein. Such insurance shall be secured from carriers admitted in California, or authorized to do business in California. Such carriers shall be in good standing with the California Secretary of State's Office and the California Department of Insurance. Such carriers must be approved by the California Department of Insurance and must be included on the California Department of Insurance List of Eligible Surplus Line Insurers (hereinafter "LESLI"). Such carriers must have a minimum rating of or equivalent to A:VIII in Best's Insurance Guide. Contractor shall, concurrent with the execution of this Contract, deliver to the Housing Authority certificates of insurance with original endorsements evidencing the insurance coverage required by this Contract. If original endorsements are not immediately available, such endorsements may be delivered subsequent to the execution of this Contract, but no later than thirty (30) days following execution of this Contract. The certificates and endorsements shall be signed by a person authorized by the insurers to bind coverage on its behalf. The Housing Authority reserves the right to require complete certified copies of all policies at any time. Said insurance shall be in a form acceptable to the Housing Authority and may provide for such deductibles as may be acceptable to the Housing Authority. Any self-insurance program and self-insured retention must be separately approved by the Housing Authority. In the event such insurance does provide for deductibles or self-insurance, Contractor agrees that it will defend, indemnify and hold harmless the Housing Authority, its elected and appointed officers, officials, representatives, employees, and agents in the same manner as they would have been defended, indemnified and held harmless if full coverage under any applicable policy had been in effect. Each such certificate shall stipulate that the Housing Authority be given at least thirty (30) days' written notice in advance of any cancellation or any reduction in limit(s) for any policy of insurance required herein. Contractor shall give the Housing Authority immediate notice of any insurance claim or loss which may be covered by insurance. Contractor represents and warrants that the insurance coverage required herein will also be provided by any entities with which Contractor contracts, as detailed below. All certificates of insurance and additional insured endorsements shall carry the following identifier: Housing Choice Voucher Program.

The insurance policies set forth herein shall be primary insurance with respect to the Housing Authority. The insurance policies shall contain a waiver of subrogation for the benefit of the Housing Authority. Failure on the part of Contractor, and/or any entities with which Contractor contracts, to procure or maintain the insurance

coverage required herein may, upon the Housing Authority's sole discretion, constitute a material breach of this Contract pursuant to which the Housing Authority may immediately terminate this Contract and exercise all other rights and remedies set forth herein, at its sole and absolute discretion, and without waiving such default or limiting the rights or remedies of the Housing Authority, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the Housing Authority shall be immediately repaid by the Contractor to the Housing Authority upon demand including interest thereon at the default rate. In the event of such a breach, the Housing Authority shall have the right, at its sole election, to participate in and control any insurance claim, adjustment, or dispute with the insurance carrier. Contractor's failure to assert or delay in asserting any claim shall not diminish or impair the Housing Authority's rights against the Contractor or the insurance carrier.

When Contractor is naming the Housing Authority as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 10 01. When any entity with which Contractor is contracting, is naming the Housing Authority as an additional insured on any of the insurance policies set forth herein, then the additional insured endorsement shall contain language similar to the language contained in ISO form CG 20 10 11 85.

The following insurance policies shall be maintained by Contractor and any entity with which Contractor contracts for the duration of this Contract, unless otherwise set forth herein:

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 20 10 85 or it's equivalent) including coverage for personal injury, death, property damage and contractual liability with limits of not less than the following:

General Aggregate	\$2,000,000
Products/ Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Housing Authority, Community Development Commission of the County of Los Angeles ("Commission"), the County of Los Angeles ("County") (Housing Authority, Commission, and County are hereinafter collectively referred to as "Public Agencies"), and each of their elected and appointed officers, officials, representatives, employees, and agents (hereinafter collectively referred to as "Agents") shall be covered as additional insureds on such policy.

B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. In all cases, the above insurance shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all “owned”, “hired”, and “non-owned” vehicles, or coverage for “any auto.” The Public Agencies and their Agents shall be covered as additional insureds on such policy.

Contractor agrees that it will require that all of the above mentioned insurance requirements be incorporated in its contract with any entity with which it contracts in relation to this Contract, the Housing Choice Voucher Program, or the services provided hereunder.

11. INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless the Public Agencies and their Agents from and against any and all liability, demands, damages, claims, causes of action, fees (including reasonable attorney’s fees and costs and expert witness’ fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as “Liabilities”), arising from or connected with Contractor’s acts, errors, and/or omissions arising from and/or relating to this Contract, the Housing Choice Voucher Program, or the services provided hereunder. Contractor shall not be required to indemnify, defend, and hold harmless the Public Agencies and their Agents from any Liabilities that arise from the sole negligence or willful misconduct of the Public Agencies. Such indemnification language, in favor of Public Agencies and their Agents, shall also be incorporated in Contractor’s contracts with any and all entities with which it contracts in relation to this Contract, the Housing Choice Voucher Program, or the services provided hereunder. These indemnification provisions shall remain in full force and effect and survive the termination and/or expiration of this Contract.

12. HOUSING AUTHORITY’S QUALITY ASSURANCE PLAN

The Housing Authority will evaluate Contractor’s performance under this Contract on not less than an annual basis. Such evaluation will include assessing Contractor’s compliance with all contract terms and performance standards. Contractor deficiencies, which Housing Authority 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 Commissioners. The report will include improvement/corrective action measures taken by the Housing Authority and Contractor. If improvement does not occur consistent with the corrective measure, the Housing Authority may terminate this Contract, pursuant to Paragraph 13 or 14, or impose other remedies as specified in this Contract.

13. TERMINATION FOR CONVENIENCE

The Housing Authority reserves the right to cancel this Contract for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor 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.

14. TERMINATION FOR CAUSE

This Contract may be terminated by the Housing Authority upon written notice to the Contractor for just cause (failure to perform satisfactorily) with no penalties incurred by the Housing Authority upon termination or upon the occurrence of any of the following events in A, B, C or D:

- A. Should the Contractor 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 this Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor, and should the Contractor neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the Housing Authority within the time specified in such notice, the Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- B. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if the work to be done under this Contract is abandoned for more than three days by the Contractor, then notice of deficiency thereof in writing will be served upon Contractor by the Housing Authority. Should the Contractor fail to comply with the terms of this Contract within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- C. In the event that a petition of bankruptcy shall be filed by or against the Contractor.
- D. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor shall violate any of the covenants, Contracts, or stipulations of this Contract, the Housing Authority shall thereupon have the right to terminate this Contract by giving written notice to the Contractor 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 Contractor under this Contract shall, at the option of the Housing Authority become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

15. CONTRACTOR'S WARRANTY OF ADHERENCE TO HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

The Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from the Housing Authority through a contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by Housing Authority Child Support Compliance Program and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor 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 CSSD 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).

16. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 15, "CONTRACTOR'S WARRANTY OF ADHERENCE TO Housing Authority CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute default under this contract. Without limiting the rights and remedies available to Housing Authority's under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which Housing Authority may *terminate this contract pursuant to Paragraph 14 - "TERMINATION FOR CAUSE" and pursue debarment of Contractor, pursuant to Housing Authority Policy.*

17. POST MOST WANTED DELINQUENT PARENTS LIST

The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Contractor understands that it is County's and Housing Authority's policy to strongly encourage all Contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

18. INDEPENDENT CONTRACTOR

This Contract does not, is not intended to, nor shall it be construed to create the relationship of agent, employee or joint venture between the Housing Authority and the Contractor.

19. EMPLOYEES OF CONTRACTOR

Workers' Compensation: The Contractor understands and agrees that all persons furnishing services to the Housing Authority pursuant to this Contract are, for the purposes of Workers' Compensation liability, employees solely of the Contractor. Contractor 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 Housing Authority under this Contract.

Professional Conduct: The Housing Authority does not and will not condone any acts, gestures, comments or conduct from the Contractor'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 Housing Authority will properly investigate all charges of harassment by residents, employees or agents of the Housing Authority against any and all Contractor's employees, agents or subcontractors providing services for the Housing Authority. The Contractor assumes all liability for the actions of the Contractor's employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Contractor.

20. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

The Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

21. SAFETY STANDARDS AND ACCIDENT PREVENTION

The Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Contractor 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.

22. COMPLIANCE WITH LAWS

The Contractor agrees to be bound by all applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract, including but not limited to, the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85, and the Americans with Disabilities Act of 1990. If the compensation

under this Contract is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

The Contractor shall comply with the following laws in Sections 23-32, inclusive, and 42-44, inclusive.

23. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

The Contractor 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.

24. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

The Contractor 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.

25. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

The Contractor 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.

26. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

The Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor 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, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor 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 Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency of the Contractor'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 Contractor 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 Contractor will furnish all information and reports required by the Executive Order 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 Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance 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 Contractor 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 Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

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

27. GREATER AVENUES FOR INDEPENDENCE (GAIN) PROGRAM AND GENERAL RELIEF OPPORTUNITY FOR WORK (GROW) PROGRAM

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor 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 Contractor's minimum qualifications for the open position. The Contractor shall contact the County's GAIN/GROW Division at (626) 927-5354 for a list of GAIN/GROW participants by job category.

28. FEDERAL LOBBYIST REQUIREMENTS

The Contractor 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.

The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

29. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor 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.

30. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the Project.

31. 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 Housing Authority, Commission, and County to conduct business only with responsible contractors.
- B. The Contractor is hereby notified that if the Housing Authority acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Housing Authority 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 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 Housing Authority.
- C. The Housing Authority may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the Housing Authority, Commission, or County or a nonprofit corporation created by the Housing Authority, Commission, or County, (2) committed an act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Housing Authority, Commission, or County, any other public entity, a nonprofit corporation created by the Housing Authority, Commission, 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 Housing Authority, Commission, County, or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, the Housing Authority 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 Housing Authority 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 Housing Authority 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 Housing Authority.
- 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.

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

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

32. COMPLIANCE WITH JURY SERVICE PROGRAM

- A. Unless the Contractor has demonstrated to the Housing Authority satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service

Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

- B. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Contract and a copy of the Jury Service Program shall be attached to the Contract.
- C. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
- D. The Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

33. **INTENTIONALLY LEFT BLANK**

34. **ACCESS AND RETENTION OF RECORDS**

The Contractor shall provide access to the Housing Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to this Contract for the purpose of making audits, examinations, excerpts and transcriptions.

The Contractor is required to retain the aforementioned records for a period of five years after the Housing Authority pays final payment and other pending matters are closed under this Contract.

35. CONFLICT OF INTEREST

The Contractor 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 Housing Authority. Upon execution of this Contract and during its term, as appropriate, the Contractor shall, disclose in writing to the Housing Authority 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 Housing Authority's interest and the interests of the third parties.

36. SEVERABILITY

In the event that any provision herein 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 Agreement 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 or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

37. INTERPRETATION

No provision of this Contract is to 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 drafted by both parties hereto.

38. WAIVER

The Housing Authority shall provide the Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that Housing Authority has actual knowledge of such injury or damage.

Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Contract shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

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

39. PATENT RIGHTS

The Housing Authority will hold all the patent rights with respect to any discovery or invention, which arises or is developed in the course of, or under this Contract.

40. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Housing Authority and the Housing Authority holds all the rights to said data.

41. NOTICES

The Housing Authority: Margarita Lares, Director
Housing Authority of the County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670

The Contractor: John McKay, Principal
McKay Management Services, LLC
1052 Gardner Road
Charleston, SC 29407

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Contractor and the Housing Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

42. 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 set forth in

Attachment D – Required Contract Notices of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

43. CONTRACTOR’S ACKNOWLEDGMENT OF HOUSING AUTHORITY’S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the Housing Authority places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Housing Authority’s policy to encourage all Housing Authority Contractors to voluntarily post the Housing Authority’s “Safely Surrendered Baby Law” poster in a prominent position at the Contractor’s place of business. The Contractor 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 Contractor with the poster to be used.

44. CONTRACTOR’S CHARITABLE CONTRIBUTIONS COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The “Nonprofit Integrity Act of 2004” (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification as included in *Attachment C – Required Contract Forms*, the Housing Authority seeks to ensure that all Housing Authority contractors that receive or raise charitable contributions comply with California law in order to protect the Housing Authority and its taxpayers. A Contractor that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings, or both.

45. ENTIRE CONTRACT

This Contract with Attachments A through D constitutes the entire understanding and Contract of the parties. This Contract includes the following attachments:

- A. Statement of Work
- B. Fee Schedule
- C. Required Contract Forms
- D. Required Contract Notices

/

/

/

/

/

/

SIGNATURES

IN WITNESS WHEREOF, the Housing Authority and the Contractor, through their duly authorized officers, have executed this Contract as of the date first above written.

HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

By _____
Cordé D. Carillo
Acting Executive Director

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By _____
Grace Chang
Deputy

McKay Management Services, LLC

By _____
John McKay
Principal

APPROVED AS TO PROGRAM:

ASSISTED HOUSING DIVISION

By _____
Margarita Lares
Director

APPENDIX B STATEMENT OF WORK

1.0 SCOPE OF WORK

The Housing Authority of the County of Los Angeles (Housing Authority) is the County's affordable housing agency. The Housing Authority helps strengthen neighborhoods, empower families, support local economies, and promote individual achievement. The Housing Authority is divided into two separate Divisions: Housing Management and Assisted Housing. The Housing Management Division owns, maintains and manages 72 housing developments that include over 3,600 residential units within the County of Los Angeles. The Assisted Housing Division administers a Section 8 Housing Choice Voucher (HCV) Program of more than 20,000 Vouchers.

One function of administering the HCV Program is conducting annual Recertification of the more than 20,000 participant families. The Housing Authority is seeking to contract with an agency experienced in conducting HCV Program Recertification to complete approximately 7,000 Recertifications. The contracted agency would be responsible for completing the entire Recertification process for the 7,000 tenant files. This includes collecting and verifying program participants household, family composition and income information, calculating tenant rent, Housing Assistance Payments, determining new Contract Rents, completing all required data entry, notifying tenants and owners of the new rents, and submitting all required documents and reports to HUD.

2.0 GENERAL REQUIREMENTS

- 2.1** The Contractor shall provide qualified and experienced management, supervisory, line and clerical personnel to accurately perform all tasks in accordance with the Statement of Work (SOW).
- 2.2** The Contractor shall possess extensive knowledge of the HCV Program.
- 2.3** The Contractor shall possess a thorough knowledge of all tasks associated with completing HCV Program Annual Recertifications.
- 2.4** The Contractor shall possess in depth knowledge of the rules and regulations governing the completion of Recertifications and calculation of tenant rents.
- 2.5** The Contractor shall provide timely, clear written and oral communication on the progress of the project.
- 2.6** The Contractor shall provide all work products in a timely and professional manner.
- 2.7** The Contractor shall provide a qualified Project Manager and sufficient, qualified staff to ensure work is completed within specified time frame.
- 2.8** Contractor shall be available to work on site.

- 2.9 The Contractor shall provide lead personnel that can communicate in English.
- 2.10 Contractor shall provide overall project coordination and management to ensure work is done in accordance with the Contract and SOW.

3.0 SPECIFIC WORK REQUIREMENTS

- 3.1 Contractor shall obtain all required documents to complete Recertifications and ensure proper verification of all information.
- 3.2 Contractor shall calculate income, tenant rent, Housing Assistance Payments, and new Contract Rents, completing all required data entry in accordance with established HUD and Housing Authority policies and procedures, including the Housing Authority Administrative Plan.
- 3.3 Contractor shall determine and update household composition and establish new Contract Rent if necessary.
- 3.4 Contractor shall complete all required data entry into tenant records in the Housing Authority's Yardi computer system including sufficient notes and documentation of all file activities.
- 3.5 Contractor shall be able to provide the Housing Authority a work schedule for completing approximately 7,000 Recertifications.
- 3.6 Contractor shall properly and timely notify participants and owners of results of rent shares calculations.
- 3.7 Contractor shall complete a HUD 50058 for each completed Recertification
- 3.8 Contractor shall assemble and submit tenant file documents in the appropriate order specified by the Housing Authority.
- 3.9 Contractor shall be able to work with staff to understand Housing Authority policies and procedures that effect annual Recertifications.
- 3.10 Contractor shall communicate directly with tenants and owners to obtain required documentation to complete the Recertification.
- 3.11 Contractor shall provide quality control reviews of the work performed.
- 3.12 Contractor shall coordinate with the Housing Authority to ensure the submission of information to HUD's PIC System
- 3.13 Contractor shall submit weekly reports to the Housing Authority on the status of the case in process.
- 3.14 Contractor shall provide detailed monthly reports of work performed.

4.0 RESPONSIBILITIES

The Housing Authority and the Contractor's responsibilities are as follows:

Housing Authority

4.1 Personnel

- 4.1.1 The Housing Authority shall monitor the Contractor's performance based upon the required weekly and monthly reports.

- 4.1.2 The Housing Authority shall provide direction to the Contractor in areas relating to policy, information and procedural requirements.
- 4.1.3 The Housing Authority shall provide a dedicated point of contact, experienced in the HCV Program, to assist contractor as necessary.
- 4.1.4 *The Housing Authority shall prepare amendments to the Contract in accordance with the Contract.*

Contractor

4.2 Project Manager

- 4.2.1 The Contractor shall provide a full-time Project Manager with three years of experience in managing projects of similar size and scope as contained in this Statement of Work.
- 4.2.2 The Contractor's Project Manager shall act as a central point of contact with the Housing Authority, and shall have full authority to act for the Contractor on all matters relating to the daily operation of the Contract.
- 4.2.3 The Project Manager must be available during regular business hours.
- 4.2.4 The Contractor's Project Manager shall be able to effectively communicate, in English, both orally and in writing.

4.3 Personnel

- 4.3.1 The Contractor shall assign a sufficient number of qualified, experience employees to perform the required work. At least one employee on site shall be authorized to act for the Contractor in every detail and must be able to communicate effectively.
- 4.3.2 The Housing Authority requires the Contractor, at the Contractor's expense, to conduct background security checks on their employees assigned to the Contract.

4.4 Uniform / Identification

- 4.4.1 The Contractor's employees must wear visible identification when working under the Contract on Housing Authority property. The identification shall be:
- Housing Authority-issued photo ID

4.5 Materials and Equipment

The Housing Authority will provide office space, furniture, equipment and supplies required to complete the project. This includes desks, computers, telephones, calculators, paper products, postage, etc.

4.6 Training

The Contractor shall provide training programs for all new employees and continuing in-service training for all employees. All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to Cal-OSHA standards.

4.7 Contractor's Office

The Contractor shall maintain an office with a telephone in the company's name where the Contractor conducts business. At least one employee who can respond to inquiries and complaints that may be received about the Contractor's performance of the Contract shall staff the office during the hours of 8:00 a.m. to 5:00 p.m. PST, Monday through Friday. When the office is closed, an answering service shall be provided to receive calls. The Contractor shall answer calls received by the answering service within two (2) hours of receipt of the call.

5.0 HOURS / DAYS OF WORK

Housing Authority office hours are from 8:00 a.m. to 5:00 p.m. Housing Authority offices are closed on the following Holidays:

- New Year's Day
- Martin Luther King Jr. Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day and the following Friday
- Christmas Day

6.0 WORK SCHEDULES

The Contractor shall submit for review and approval a work schedule to the Housing Authority within ten (10) days prior to starting work. The work schedules

shall be set on an annual calendar identifying all the required on-going tasks and task frequencies. The schedules shall list the timeline by the tasks to be performed. The Contractor may work flexible hours including some weekend hours.

The Contractor shall submit revised schedules when actual performance differs substantially from planned performance. The revisions shall be submitted to the Housing Authority for review and approval within five (5) working days prior to scheduled time for work.

7.0 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the Housing Authority a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the Housing Authority for review. The plan shall include, but not be limited to the following:

- *Method of monitoring to ensure that Contract requirements are being met;*
- *A record of all quality control audits conducted by the Contractor;*
 - *any corrective action taken,*
 - *the time a problem was first identified,*
 - *a clear description of the problem,*
 - *and the time elapsed between identification and completed corrective action,*
- *The record shall be provided to the Housing Authority upon request.*

8.0 QUALITY ASSURANCE PLAN

The Housing Authority will evaluate the Contractor's performance under this Contract using the following quality assurance procedures:

8.1 Performance Requirements Summary (Exhibit 1)

The Housing Authority shall use a Performance Requirements Summary (PRS) chart, Technical Exhibit 1, to monitor the Contractor's work performance and efforts to remedy any and all deficiencies throughout the term of this Contract. The chart shall contain, at a minimum, the following:

- Each section of the Contract/SOW referenced and identified;
- The standard of performance (description of the work requirement)
- The method to be used to monitor work performance
- The fees/deductions to be assessed for each service that is not satisfactory

All listings of services used in the PRS are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of the Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW,

that apparent service will be null and void and place no requirement on the Contractor.

When the Contractor's performance does not conform to the requirements of this Contract, the Housing Authority will have the option to apply the following non-performance remedies:

- Require the Contractor to implement a formal corrective action plan, subject to approval by the Housing Authority. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- Reduce payment to the Contractor by a computed amount based on the penalty fee(s) in the PRS.
- Reduce, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.
- Failure of the Contractor to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the Housing Authority to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of the Contractor's failure to perform said service(s), as determined by the Housing Authority, shall be credited to the Housing Authority on the Contractor's future invoice.

This section does not preclude the Housing Authority's right to terminate the contract upon thirty (30) days written notice with or without cause, as provided for in the Contract, Section 13 - Termination for Convenience.

8.2 Periodic Performance Reviews

The Housing Authority will conduct periodic reviews to evaluate the Contractor's performance.

8.3 Contract Deficiency Notice

The Housing Authority will make verbal notification to the Contractor of a deficiency. Deficiencies should be resolved within a time period mutually agreed upon by the Housing Authority and the Contractor.

If resolution of the deficiency does not result from the verbal notification, the Housing Authority will determine whether a formal Contract Deficiency Notice shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the Housing Authority within five (5) workdays, acknowledging the reported deficiencies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the Housing Authority within ten (10) workdays.

8.4 Housing Authority Observations

In addition to divisional contracting staff, other Housing Authority personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

9.0 ADDITION/DELETION OF SERVICES

The Housing Authority reserves the right to add or delete services during the term of the Contract. The Contractor's fees will be adjusted by negotiation between the Housing Authority and the Contractor.

**EXHIBIT 1
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART**

REFERENCE/ REQUIRED SERVICE	STANDARD OF PERFORMANCE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW Section 3.1 Household and Income Information Verification	Contractor shall complete all information verification	Observation and Review	\$25 per occurrence
SOW Section 3.2 Calculate Adjusted Income and Tenant Rent and HAP	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.3 Update Family Composition and Contract Rent if Necessary			
SOW Section 3.4 Tenant Data Entry in Yardi System	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.5 Complete work according to provide schedule/timeline			
SOW Section 3.6 Timely Notification of Tenant and Owner of New Rent Shares	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.7 Complete HUD 50058 for each recertification	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.8 Properly Assemble tenant documents and files	100 % Completion of Required Services	Observation and Review	\$25 per occurrence

REFERENCE/ REQUIRED SERVICE	STANDARD OF PERFORMANCE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
SOW Section 3.9 Complete quality control reviews of all work performed	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.12 Ensure required PIC Submission	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.13 Submit weekly status reports	100 % Completion of Required Services	Observation and Review	\$25 per occurrence
SOW Section 3.14 Submit Monthly detailed reports	100 % Completion of Required Services	Observation and Review	\$25 per occurrence