

**REQUEST FOR PROPOSALS
(RFP)**

Technical Assistance Program Operator



**City of Garden Grove
Economic Development
& Housing Department**

Office of Economic Development

11222 Acacia Parkway, Garden Grove, CA 92840

Proposals Due

Tuesday, September 10, 2024 at 4:00pm

I. Introduction

A. General Information

The City of Garden Grove (City) is seeking proposals from professional organizations with demonstrated skills and experience providing technical assistance and business support to microenterprises. The services provided by the Proposer need to be for low- to moderate-income individuals (LMI) wishing to establish a microenterprise or expand an existing microenterprise they own. We estimate that **\$250,000** in Community Development Block Grant (CDBG) funds will be available for this project for Fiscal Year 2024-25. Approximately **\$50,000** will be made available for the technical assistance component of the program and **\$200,000** will be available for loans to eligible microenterprises.

The CDBG Program provides federal assistance from the U.S. Department of Housing and Urban Development (HUD) to the largest localities in the country. The primary objective of the CDBG Program is the development of viable urban communities, principally for low- to moderate-income persons (LMI), through:

- i. Decent housing;
- ii. Suitable living environment; and
- iii. Expanded economic opportunity.

Since 1974, the CDBG Program has provided a flexible source of annual funding to communities nationwide. The program offers local governments, with citizen participation, the opportunity to fund certain projects, programs, and/or public services provided that these meet one of three National Objectives:

- i. Benefit low- moderate-income (LMI) persons;
- ii. Prevent or eliminate slums and blight; and
- iii. Meet an urgent need.

Failure to achieve contracted goals and comply with contract provisions will lead to potential de-obligation and termination of funds, so that the City may reassign the funds to providers that can more effectively address the community's priority needs.

B. RFP Timeline

August 27, 2024 Issuance of RFP

**September 10, 2024
(4:00 pm)**

Proposal submittal DEADLINE. Address all questions and submit one (1) electronic version & five (5) hard copies to:

<https://ggcity.org/neighborhood-improvement/hud-rfp>

Mr. Timothy Throne, Sr. Program Specialist

Economic Development and Housing Department

11222 Acacia Parkway

Garden Grove, CA 92840

Tel: 714-741-5144

Email: timothyt@ggcity.org

**September 11 – 18,
2024**

Evaluation of Proposals

September 24, 2024

Award of Contract by City Council

October 1, 2024

Anticipated Project Start Date

C. Term of Agreement

The term of the agreement is from October 1, 2024 through June 30, 2025. The City may choose to extend the agreement beyond Fiscal Year 2024-2025 based on good performance and availability of funding.

D. Instructions to Proposers

i. Submission of Proposals:

All hard copies of the proposals shall be submitted to:

City of Garden Grove, Office of Economic Development

11222 Acacia Parkway

Garden Grove, CA 92840

Attn: Timothy Throne

Electronic submissions of the proposals shall be submitted to:

<https://ggcity.org/neighborhood-improvement/hud-rfp>

ii. Submission Instructions

Proposers shall submit five complete hard copies of their proposal, and one additional copy on the City's RFP Submission portal at

<https://ggcity.org/neighborhood-improvement/hud-rfp>

All five copies of the proposal must include a signed cover letter and be mailed or hand delivered to the City. The cover letter must include a declaration that the only person, persons, company, or parties interested in the proposal as principals are named herein; that the proposal is made without collusion with any other person, persons, company, or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud, and that the Signer has full authority to bind the proposer. It must also include an email address and contact information for the Signer.

iii. Clarifications to RFP

Clarifications or substantive changes to the RFP specifications, if any, prior to the proposal submission due date will be disseminated to all interested parties.

iv. Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

- a. Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
- b. Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
- c. Represent that all information contained in the proposal is true and correct.
- d. Did not, in any way, collude; conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the amount, terms or conditions of this proposal.
- e. Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or condition. The City shall not be responsible for, nor be bound by, any oral instructions, interpretations or explanations issued by the City or its representatives.

The City reserves the right to accept or reject any and all proposals, to waive any irregularities in any proposal process, and to make an award of contract in any manner in which the City, acting in the sole and exclusive exercise of

its discretion, deems to be in the City's best interest. The award of the contract will not necessarily be made to the firm offering the lowest price.

At the option of the City, finalists may be selected for a final round of negotiations; however, proposers are encouraged to present their best offers with their initial submission.

v. Questions regarding Proposal

All questions regarding this RFP should be directed to Timothy Throne, Senior Program Specialist at 714-741-5144 or timothyt@ggcity.org.

E. Attachments

The attachments below are included with this Request for Proposals (RFP) for your review and/or submittal:

- Sample Subrecipient Agreement including Specifications of the City's Insurance Requirements.

F. Deadline for Submittal is Tuesday, September 10, 2024 at 4:00 pm. All five hard copies and the electronic copy of the proposal need to be submitted by the deadline to be considered.

II. Scope of Services

The City is amending the Jobs 1st Program to focus exclusively on microenterprise businesses and will now include a mandatory ongoing technical assistance component. A microenterprise business is defined by HUD as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. The Proposer will be acting as the "Program Operator", and will provide direct support to participating microenterprises. Approved businesses will be required to work with the Proposer to conduct an initial assessment of their business to determine their technical assistance needs and work plan. Once a work plan has been established for the participating businesses, the Proposer will be required to conduct regular check-ups to analyze the effectiveness of the assistance being provided and make adjustments as necessary. Proposer can opt to refer participating businesses to external organizations that specialize in providing direct technical assistance to small businesses if it is determined that the assistance needed extends beyond their expertise, but the Proposer will still be responsible for conducting ongoing assessments for each business and working to complete their work plan for the program.

The second component of the scope of work being requested through this RFP is underwriting CDBG loans up to \$50,000 to participating businesses that are looking to create jobs to LMI individuals. The jobs that are created as part of the loan are required to be full-time equivalent jobs (40 hours per week). Multiple part-time employees can be hired to fulfill the 40 hours per week requirement for job creation.

The loan is no longer a standalone option for the Jobs 1st Program, and each participating business will be assessed based on their need for financial assistance and their ability to pay the loan back. The Proposer will be required to collect and review the following documents as part of their underwriting analysis: quarterly financial statements, profit and loss statements, balance sheets, credit reports, and loan collateral. Businesses that receive the loan will still be required to undergo ongoing technical assistance and check-ups with the Proposer.

Applicants must consider the following regarding their project proposals:

- i. Assistance provided with CDBG funds is limited to city of Garden Grove LMI clients and businesses located in the city of Garden Grove only.
- ii. Projects must demonstrate microenterprise technical assistance services provided directly by the organization to individual LMI clients or individual businesses owned by LMI persons.
- iii. Applicants must be able to demonstrate that the project meets the CDBG National Objective of benefitting LMI persons by assisting LMI clients who want to establish a microenterprise or expand an existing microenterprise.
- iv. One hundred percent of the clients assisted must be individuals from LMI households. Applicants awarded FY 2024 CDBG funding to complete this activity must maintain written documentation on unduplicated city of Garden Grove LMI clients (including household income, race and ethnicity data, and head of household status). **Client household income verification and eligibility determination is required prior to the provision of CDBG assistance under this category.** Applicants must be able to demonstrate they have an intake and documentation process that would ensure the collection and reporting of such data monthly.
- v. Note that the CDBG definition of a microenterprise is a business that has five (5) or fewer employees, one (1) or more of whom owns the enterprise. All part-time and full-time employees on the business payroll at the time of assistance and/or loan or grant application must be counted. Eligible microenterprise assistance activities refer to technical assistance and/or general support services to LMI business owners or potential LMI business owners that directly lead to the establishment of either new businesses or the expansion of existing (and stable) businesses (e.g., new employees, higher sales volume or revenue, etc.). **Projects that only provide general workshops or on the job training as services to assist individual clients and refer them for job placements will not qualify as a microenterprise assistance project. In addition, projects that only provide workshops or classroom curriculum with no direct individual assistance provided to clients in the establishment of a new business or in the expansion of an existing business will not qualify as a microenterprise assistance**

program. Projects that only provide one specific type of technical assistance that does not directly lead to the establishment of either new businesses or the expansion of existing businesses will also not qualify as a microenterprise assistance program.

- vi. Provision of direct cash payments to individual households, clients, or business owners is not an eligible project activity.

III. Information to be submitted:

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer's understanding of the City's requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted.

All proposals shall address the following items in the order listed:

- i. Proposal Summary
This section shall discuss the highlights, key features and distinguishing points of the proposal with a list of individuals that will be providing services.
- ii. Profile of the firm
This section shall include a brief description of the proposer's firm including size, structure, capacity and resources.
- iii. Qualifications
This section shall include a description of qualifications, the qualifications of those assigned to the project and experience in providing services including experience working with the City or other public agencies. This section shall include references with contact information.
- iv. Work Plan
This section shall present a proposed service plan and timeline including major tasks and subtasks that support completing objectives and work requirements. Please include information regarding the projected number of LMI individuals/businesses that will be assisted during the performance period.
- v. Proposal Costs
This section shall present the fee information for providing the services required. Include all potential costs or other price information that would be contained in a potential agreement with the City.
- vi. Compliance and Potential Conflicts
Audit or investigation. Has your firm been audited or investigated by any

regulatory agency within the past five (5) years? If yes, discuss the outcome of the audit or investigation and any changes that were made as a result.

Litigation or proceedings. Please list all lawsuits or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five (5) years or (b) any type of project where claims or settlements were paid by the Contractor or its insurers within the past five (5) years.

Conflict of Interest. Describe in detail any potential conflicts of interest your firm may have in regards to this engagement.

Exceptions. The Proposer is expected to agree with the form of the contract and its terms and conditions (Attachment 1). However, if the Proposer has any specific exceptions, such exceptions should be set forth in a separate document included with its response to this RFP. The City is under no obligation to entertain or accept any such specific exceptions. Failure to raise issues at the time of Proposal submission shall preclude the raising of such issues at a later time.

IV. Review and Selection Process

Proposals will be evaluated to determine the extent to which the firm’s proposal meets the needs of the City. The following point values will be used for evaluation purposes:

<u>Criteria</u>	<u>Points</u>
Quality and completeness of proposal;	25
Qualifications and experience (staff, complexity of projects, etc.);	35
Budget;	20
Ability to perform the work in the time specified; and	10
Prior record of performance with the City or other agencies.	10
TOTAL POSSIBLE POINTS	100

Attachment #1

Sample Subrecipient Agreement

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF GARDEN GROVE
AND**

**FOR
MICROENTERPRISE TECHNICAL ASSISTANCE SERVICES**

This agreement is made and entered into this 1st day of October, 2024, by and between the CITYOF GARDEN GROVE, a municipal corporation of the State of California, hereinafter referred to as "CITY," and _____, a corporation under the laws of the State of California, hereinafter referred to as "SUBRECIPIENT."

RECITALS

The following recitals are a substantive part of this agreement:

1. The CITY has applied for and received funds from the U.S. Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, Public Law 93-383;
2. The CITY's Annual Action Plan submitted to HUD includes the PROJECT described herein and indicates that a portion of the funds received from HUD shall be allocated to SUBRECIPIENT;
3. The CITY wishes to engage the SUBRECIPIENT to provide technical assistance and business support to microenterprises, as set forth in CITY's Annual Action Plan, in accordance with Attachment A of this agreement (the "PROJECT"); and
4. The provision of this service is an eligible expenditure of available Community Development Block Grant (CDBG) funds, Catalogue of Federal Domestic Assistance (CDFA) 14.218, of CITY as an economic development activity (24 CFR 570.203).

AGREEMENT

The parties mutually agree as follows:

1. **Term of Agreement**. This agreement shall cover services rendered from October 1, 2024 until June 30, 2025. The term of this agreement and the provisions herein shall be extended to cover any additional time period during which the SUBRECIPIENT remains in control of CDBG funds or other assets, including program income. Subrecipient shall remain obligated to perform such duties as would normally extend beyond the end date of reimbursable activities, including, but not limited to, indemnification, audits, reporting, and accounting.
2. **Services to be Provided**. As a condition of receiving CDBG funding pursuant to this agreement, the SUBRECIPIENT shall perform all the services necessary to administer the PROJECT as described in the CITY's Annual Action Plan and as set forth in the Scope of Services described in Attachment A to this agreement, a copy of which is attached hereto and incorporated herein by this reference. The Scope of Services includes the following components:

- 2.1 Activities. The SUBRECIPIENT will be responsible for administering the PROJECT with Fiscal 2024-25 CDBG Program funds to Garden Grove residents in a manner satisfactory to the CITY and consistent with any and all standards required as a condition of providing these funds, the terms of this agreement, and all applicable Federal, State and local laws, guidelines, policies and regulations.
 - a. Program Delivery. The Scope of Services includes a complete description of each activity eligible under the CDBG Program, the products or services to be performed, where they are to be provided, for whom they are to be provided, and how they are to be provided.
 - b. General Administration. A description of the SUBRECIPIENT's general administrative services to be performed in support of the activities is noted in the Scope of Services described in Attachment A. A schedule for the completion of these services and goals is included in the PROJECT Description. The PROJECT will include activities eligible under the CDBG Program.
- 2.2 National Objectives. All activities funded with CDBG funds must meet one of the CDBG Program's National Objectives: benefit low-and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208(c). The SUBRECIPIENT certifies that the activity(ies) carried out under this agreement will meet the National Objective of benefiting low-and moderate-income persons as described in the Scope of Services.
- 2.3 Level of Accomplishment-Goals and Performance Measures. The Scope of Services includes measurements for each activity per month and year-to-date. Fair Housing Foundation shall submit to the City of Garden Grove Community Development Department monthly reports on the form attached hereto by August 15, September 15, October 15, November 15, December 15, January 15, February 15, March 15, April 15, May 15, June 15, and July 15 over the duration of this agreement.
- 2.4 Performance Monitoring. The CITY will monitor the performance of the SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by the CITY will constitute non-compliance with this agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being notified by the CITY, Agreement suspension or termination procedures will be initiated.

3. Disbursement of Funds. SUBRECIPIENT shall receive CDBG funds as follows:

- 3.1 Amount. It is expressly agreed and understood that the total amount to be paid by the CITY under this agreement shall not exceed **Two Hundred Fifty Thousand (\$250,000)**. Payment may be contingent upon certification of the SUBRECIPIENT's financial management system in accordance with the standard specified in 2 CFR part 200.
- 3.2 Not Exceed. Program Funds under this agreement shall not exceed **\$250,000**. If the costs of services provided exceed **\$250,000**, the SUBRECIPIENT shall pay all additional costs. If the cost of services provided is less than **\$250,000**, the CITY shall retain all unused funds.

3.3 Budget. Drawdowns for the payment of eligible expenses shall be made against the line-item budgets specified in the Project Budget set forth in Attachment A hereto and in accordance with performance. The SUBRECIPIENT is to perform the services set forth in Attachment A, pursuant to a Project Budget, Attachment A to this agreement, a copy of which is attached hereto and incorporated herein by this reference.

3.4 Prohibition of Subrecipient Income from CDBG Funds. Subrecipient agrees that it shall not use CDBG Funds in any manner which shall provide income to Subrecipient, other than Program Income. Any earned interest income on funds generated through the use of investment of funds received from CDBG shall be cause, at the discretion of the City, for recapture of such income and/or the full amount of funds originally granted to Subrecipient.

4. General Conditions. During the performance of this agreement, the SUBRECIPIENT agrees as follows:

4.1 General Compliance. The SUBRECIPIENT agrees to comply with applicable Uniform Administrative Requirements of Title 2 of the Code of Federal Regulations as well as the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the SUBRECIPIENT does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the SUBRECIPIENT does not assume the recipient's responsibility for initiating the environmental review process under the provisions of 24 CFR Part 52. The SUBRECIPIENT also agrees to comply with all other applicable federal, state and local laws, regulations, and policies governing the funds provided under this agreement. The SUBRECIPIENT further agrees to utilize funds available under this agreement to supplement rather than supplant funds otherwise available.

Subrecipient shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Agreement or the CDBG Program, including all Cal/OSHA requirements, and shall give all notices required by law. Subrecipient shall be liable for all violations of such laws and regulations in connection with performing work related to the Agreement or CDBG Program. If Subrecipient performs any work or services in violation of such laws, rules, and regulations, Subrecipient shall be solely responsible for all penalties and costs arising therefrom. Subrecipient shall defend, indemnify, and hold City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

4.2. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or mailed to the below listed addresses, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.

Address of CITY is as follows:

With One (1) Copy to:

City of Garden Grove
Attn: Monica Covarrubias
Community and Economic
Development Department

City of Garden Grove
Attn: City Attorney
City Attorney's Office

11222 Acacia Parkway
Garden Grove, CA 92840-5208

11222 Acacia Parkway
Garden Grove, CA 92840-5208

Address of SUBRECIPIENT:

Attn: _____

- 4.3. Independent Contractor. Nothing contained in this agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The SUBRECIPIENT shall at all times remain an independent contractor with respect to the services to be performed under this agreement. All persons employed for the performance of services and functions hereunder shall be officers, agents, or employees (including volunteers) of SUBRECIPIENT and shall not be deemed to be those of CITY; no CITY officer, agent, or employee shall be under control or supervision of SUBRECIPIENT, and no SUBRECIPIENT officers, agents or employees (including volunteers), shall have any entitlement to wages, pension, civil service, or any status or rights with CITY. The CITY shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the SUBRECIPIENT is an independent contractor.
- 4.3. Licensing. Prior to performing any services or work hereunder Subrecipient shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the work and services required by this Agreement and CDBG Funds. Subrecipient represents and warrants to City that Subrecipient shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Subrecipient to perform the work and services required or authorized by this Agreement or CDBG Funds. Subrecipient shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Subrecipient's performance of the work and services required or authorized by this Agreement or CDBG Funds, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the work or services set forth in the CDBG Program.
- 4.3. Ineligibility of Subrecipient or Contractors. Subrecipient shall not use CDBG Funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the Subrecipient or such contractor under the provisions of the applicable federal regulations governing

CDBG funds, projects, or programs.

- 4.3. Prohibition of Expending CDBG Funds to Obtain Other Funding. Subrecipient shall in no event expend CDBG Funds granted hereunder to fund another service provider, to pay a contractor for services outside the scope of this Agreement, to apply for other public agencies' program funds, or to supplant another funding source, unless expressly approved by the City.
- 4.3. Unauthorized Aliens. Subrecipient represents and warrants that it will comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Subrecipient so employ such unauthorized aliens for the performance of any work and/or services under this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Subrecipient hereby agrees to reimburse City for any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, or penalties which arise out of or are related to such employment, together with any and all costs, including attorneys' fees, incurred by City.
- 4.4. Hold Harmless. SUBRECIPIENT agrees to protect, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by SUBRECIPIENT, SUBRECIPIENT'S agents, officers, employees, subcontractors, or independent contractors hired by SUBRECIPIENT. The only exception to SUBRECIPIENT'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence of CITY, or any of its elective or appointive boards, officers, agents, or employees. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by SUBRECIPIENT.
- 4.5 Commencement of Work: SUBRECIPIENT shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance. All subcontractors, consultants, and agents shall be required to provide the same insurance as that required of the SUBRECIPIENT. SUBRECIPIENT shall be responsible to collect and maintain all insurance required of all subcontractors, consultants, and agents.
- 4.6 Insurance: For the duration of this agreement SUBRECIPIENT shall maintain the following insurance.
 - a. Workers Compensation Insurance. SUBRECIPIENT shall maintain workers compensation insurance in the amount and type required by California law, if applicable. The insured shall waive its rights of subrogation against the CITY, its officers, officials, agents, employees, and volunteers.

- b. Commercial General Liability in an amount not less than \$1,000,000 per occurrence; (claims made and modified occurrence policies are not acceptable); Insurance companies must be acceptable to CITY and have an A.M. Best's Guide Rating of A-, Class VII or better, as approved by CITY.
- c. Automobile Liability in an amount not less than \$1,000,000 combined single limit; (claims made and modified occurrence policies are not acceptable); Insurance companies must be acceptable to CITY and have an A.M. Best's Guide Rating of A-, Class VII or better, as approved by CITY.
- d. Professional Liability in an amount not less than \$1,000,000 per occurrence/per claim; Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
- e. Directors & Officers Liability in an amount not less than \$1,000,000 per occurrence/per claim; Insurance companies must be acceptable to CITY and have an A.M. Best's Guide Rating of A-, Class VII or better, as approved by the CITY.

Additional Insured Endorsements and Loss Payee Endorsement:

An additional insured Endorsement for on-going and products-completed operations under the commercial general liability policy (Subsection "b" above) shall designate the City of Garden Grove and its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of SUBRECIPIENT. SUBRECIPIENT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for automobile liability policies (Subsection "c" above) shall designate the City of Garden Grove and its officers, officials, employees, agents, and volunteers as additional insureds for automobiles owned, leased, hired, or borrowed by SUBRECIPIENT. SUBRECIPIENT shall provide to CITY proof of insurance and endorsement forms that conform to City's requirements, as approved by CITY.

SUBRECIPIENT shall provide to CITY endorsements from each insurance carrier wherein the insurance carrier shall give CITY thirty (30) days advanced written notice of any material change, cancellation, or termination of coverage.

For any claims related to this Agreement, SUBRECIPIENT's insurance coverage shall be primary insurance as respects the City of Garden Grove, and its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, or volunteers shall be excess of the SUBRECIPIENT'S insurance and shall not contribute with it. Claims made and modified occurrence policies are not acceptable.

IF SUBRECIPIENT maintains higher insurance limits than the minimums shown above, SUBRECIPIENT shall provide coverage for the higher insurance limits otherwise maintained by the SUBRECIPIENT

- 4.7. City Recognition. The SUBRECIPIENT shall insure recognition of the role of the CITY in providing services through this agreement. All activities, facilities and items utilized pursuant to this agreement shall be prominently labeled identifying the City of Garden Grove as a funding source. In addition, the SUBRECIPIENT will include a reference to the City support provided herein in all publications made possible with funds made available under this agreement
- 4.8. Amendments. The CITY or SUBRECIPIENT may amend this agreement at any time provided that such amendments make specific reference to this agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the CITY's governing body. Such amendments shall not invalidate this agreement, nor relieve or release the CITY or SUBRECIPIENT from its obligations under this agreement.

The CITY may, in its discretion, amend this agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this agreement, such modifications will be incorporated only by written amendment signed by both CITY and SUBRECIPIENT.

- 4.9. Suspension or Termination. In accordance with 2 CFR 200.338, the CITY may suspend or terminate this agreement if the SUBRECIPIENT materially fails to comply with any terms of this agreement, which include (but are not limited to) the following:
 - a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - b. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this agreement;
 - c. Ineffective or improper use of funds provided under this agreement; or
 - d. Submission by the SUBRECIPIENT to the CITY reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR 200.339, this agreement may also be terminated for convenience by either the CITY or the SUBRECIPIENT, in whole or in part, by providing to the other party written notice setting forth the reasons for such termination, the effective date of the termination, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the CITY determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the CITY may terminate the award in its entirety.

5. Administrative Requirements

Financial Management

- 5.1. Accounting Standards. The SUBRECIPIENT agrees to comply with 2 CFR 200.302 and all other applicable provisions of 2 CFR Part 200 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- 5.5. Cost Principles. The SUBRECIPIENT shall administer its program in conformance with 2 CFR Part 200 as it pertains to all costs incurred whether charged on a direct or indirect basis.

Documentation and Record Keeping

- 5.3. Records to be Maintained. The SUBRECIPIENT shall maintain all records required by the federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this agreement. Such records shall include but not be limited to:
 - a. Records providing a full description of each activity undertaken;
 - b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
 - c. Records required to determine the eligibility of activities;
 - d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
 - e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
 - f. Financial records as required by 24 CFR 570.502, and 2 CFR Part 200; and
 - g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.
- 5.4. Retention. The SUBRECIPIENT shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the agreement for a period of four (4) years. The retention period begins on the date of the submission of the CITY's annual performance and evaluation report to HUD in which the activities assisted under the agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.
- 5.5. Client Data. The SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to CITY monitors or their designees for review upon request.

- 5.6. Disclosure. The SUBRECIPIENT understands that client information collected under this agreement is private and the use or disclosure of such information, when not directly connected with the administration of the CITY's or SUBRECIPIENT's responsibilities with respect to services provided under this agreement, is prohibited by all applicable state and federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.
- 5.7. Closeouts. The SUBRECIPIENT's obligation to the CITY shall not end until all closeout requirements are completed. Activities during this closeout period shall include, but are not limited to: Making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the CITY), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds including program income.
- 5.8. Audits & Inspections. All SUBRECIPIENT records with respect to any matters covered by this agreement shall be made available to the CITY, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the SUBRECIPIENT within 30 days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit requirements will constitute a violation of this agreement and may result in the withholding of future payments. The SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance with current CITY policy concerning SUBRECIPIENT audits and 2 CFR Part 200 subparts A-F.

Reporting and Payment Procedures

- 5.9. Program Income. The SUBRECIPIENT shall report monthly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this agreement. The use of program income by the SUBRECIPIENT shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the SUBRECIPIENT may use such income during the contract period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unexpended program income shall be returned to the CITY at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the CITY.
- 5.10. Monthly Reports. The Subrecipient shall submit "Monthly Reports" during the program year beginning October 1, 2024, and ending June 30, 2025, within fifteen (15) calendar days of the end of each month. The final monthly report is due no later than July 15, 2025. The report must include sufficient information to assist the City in monitoring the Subrecipient's performance. The Subrecipient must demonstrate satisfactory performance prior to reimbursement for expenditures. The Monthly Reports shall indicate the number of persons assisted, income and ethnicity of

persons assisted, how/what assistance was provided, and a description of how and when determination of eligibility status was made for persons assisted.

- 5.11. Reimbursement Schedule. Subrecipient may request to draw down on these CDBG Funds in the manner delineated in Scope of Services, unless receipts and appropriate documentation can be provided to, and approved by, the City indicating the need to draw down on funds earlier. The City shall not provide any payments/reimbursements in advance of actual expenditures by the Subrecipient.
- 5.12. Reimbursement Requests. Concurrently with the submittal of each Monthly Report, as described in subsection 5.10, Subrecipient shall submit a "Reimbursement Request" to the City to request payment for eligible CDBG Program costs. Each Reimbursement Request shall include documentation to verify that the expenditure of funds is consistent with the CDBG Program description/definition as approved by the City Council. Documentation shall include, but not be limited to, both (i) an original invoice and (ii) true copies of other receipts, agreements, payroll records or other documentation supporting and evidencing how the CDBG Funds have been or will be expended during the applicable month. Prior to reimbursing Subrecipient, the City will verify that Subrecipient has met all applicable regulations for the CDBG Program.
- 5.13. Remaining Balance. The CDBG Program shall be completed and all funds provided through this Agreement shall be expended on eligible CDBG Program activities from October 1, 2024 through June 30, 2025. Invoices for approved CDBG Program costs funded under this Agreement shall be submitted within 30 days after the Agreement expiration date. After the 30-day period for submitting invoices has expired, any remaining balance on this Agreement may be allocated by City to other eligible CDBG projects within the City's approved CDBG Program.
- 5.14. Separation of Accounts. All CDBG Funds received by Subrecipient from City pursuant to this Agreement shall be maintained in an account in a federally insured banking or savings and loan institution with record keeping of such accounts maintained pursuant to Title 2 of the Code of Federal Regulations ("2 CFR") Part 200. The Subrecipient is not required to maintain separate depository accounts for CDBG Funds; provided however, the Subrecipient must be able to account for receipt, obligation and expenditure of CDBG Funds pursuant to applicable 2 CFR 200.302 et seq., requirements and any other applicable law.
- 5.15. Repayment of Funds by Subrecipient. In the event this Agreement is terminated, as provided in section 4.9, Subrecipient agrees to and shall immediately return to City any and all unexpended and unencumbered CDBG Funds. Further, Subrecipient shall comply with the provisions of the section of this Agreement relating to Reversion of Assets.
- 5.16. Additional Payment after Notice of Termination at Discretion of City. In the event of early termination of the Agreement by either party without cause, at the sole discretion and election of the City, the Subrecipient will be compensated for all services rendered and necessarily incurred costs performed in good faith in accordance with the terms of this Agreement that have been previously eligible for

reimbursement and paid, to the date of the notice of termination to the extent that CDBG Funds are available from HUD.

In the event of early termination of the Agreement by the City for cause (but not due to the non-performance or breach by Subrecipient), at the sole discretion and election of the City, the Subrecipient will be compensated for all services rendered and necessarily incurred costs performed in good faith in accordance with the terms of this Agreement that have been previously eligible for reimbursement and paid, to the date of the notice of termination to the extent that CDBG Funds are available from HUD.

- 5.17. Indirect Costs. If indirect costs are charged, the SUBRECIPIENT will develop an indirect cost allocation plan for determining the appropriate SUBRECIPIENT's share of administrative costs and shall submit such plan to the CITY for approval, in a form specified by the CITY.
- 5.18. Payment Procedures. The CITY will pay to the SUBRECIPIENT funds available under this agreement based upon information submitted by the SUBRECIPIENT and consistent with any approved budget and CITY policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the SUBRECIPIENT, and not to exceed actual cash requirements. Payments are to be adjusted by the CITY in accordance with advanced fund and program income balances available in SUBRECIPIENT accounts. In addition, the CITY reserves the right to liquidate funds available under this contract for costs incurred by the CITY on behalf of the SUBRECIPIENT.
- 5.19. Progress Reports. The SUBRECIPIENT shall submit regular Progress Reports to the CITY in the form, content, and frequency as required by the CITY.

Procurement

- 5.20. Compliance. The SUBRECIPIENT shall comply with current CITY policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the CITY upon termination of this agreement as provided for in Use and Reversion of Assets.
- 5.21. OMB Standards. Unless specified otherwise within this agreement, the SUBRECIPIENT shall procure all materials, property, or services in accordance with the requirements of 2 CFR Part 200.
- 5.22. Travel. The SUBRECIPIENT shall obtain written approval from the CITY for any travel outside the metropolitan area with funds provided under this agreement.
- 5.23. Use and Reversion of Assets. The use and disposition of real property and equipment under this agreement shall be in compliance with the requirements of 2 CFR Part 200 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

- a. The SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand and any accounts receivable attributable to the use of funds under this agreement at the time of expiration, cancellation, or termination.
- b. Real property under the SUBRECIPIENT's control that was acquired or improved, in whole or in part, with funds under this agreement in excess of \$25,000.00 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this agreement or such longer period of time as the CITY deems appropriate. If the SUBRECIPIENT fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the SUBRECIPIENT shall pay the CITY an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the CITY. The SUBRECIPIENT may retain real property acquired or improved under this agreement after the expiration of the five-year period or for a longer period of time, as the CITY deems appropriate.
- c. In all cases in which equipment acquired, in whole or in part, with funds under this agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this agreement were used to acquire the equipment). Equipment not needed by the SUBRECIPIENT for activities under this agreement shall be (a) transferred to the CITY for the CDBG program or (b) retained after compensating the CITY an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

6. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The SUBRECIPIENT agrees to comply with the following:

- a. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); and,
- b. The requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and,
- c. The requirements in 24 CFR 570.606(d) governing optional relocation policies, and;
- d. The SUBRECIPIENT shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project; and,
- e. The SUBRECIPIENT also agrees to comply with all applicable CITY ordinances, resolutions and policies concerning the displacement of persons from their residences.

The CITY hereby reserves the right to preempt the optional policies.

7. PERSONNEL & PARTICIPANT CONDITIONS

7.1. Civil Rights

a. Compliance

The SUBRECIPIENT agrees to comply with all local and State civil rights laws and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

b. Nondiscrimination

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279 and all local ordinances. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

c. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the CITY and the United States are beneficiaries of and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

d. Section 504

The SUBRECIPIENT agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The CITY shall provide the SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this agreement.

7.2. Affirmative Action

a. Approved Plan

The SUBRECIPIENT agrees that it shall be committed to carry out pursuant to the CITY's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The CITY shall provide Affirmative Action guidelines to the SUBRECIPIENT to assist in

the formulation of such program. The SUBRECIPIENT shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

b. Women- and Minority-Owned Business Enterprise (W/MBE)

The SUBRECIPIENT will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

c. Access to Records

The SUBRECIPIENT shall furnish and cause each of its own SUBRECIPIENT's or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the CITY, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

d. Notifications

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the SUBRECIPIENT's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

e. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer.

7.3 Subcontract Provisions

The SUBRECIPIENT will require and include compliance with any and all provisions of Civil Rights, Affirmative Action, and other applicable requirements applicable to SUBRECIPIENT in every subcontract or purchase order as applicable, specifically or by attached reference, so that such provisions will be binding upon each of its own subcontractors.

7.4 Other Employment Restrictions

a. Prohibited Activity

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: Political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

7.5 OSHA

Where employees are engaged in activities not covered under the Occupational Safety Act of 1970 (OSHA), they shall not be required or permitted to work, be trained, or receive services in buildings that are unsanitary, hazardous, or dangerous to the participants' health or safety.

7.6 Labor Standards

The SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this agreement. The SUBRECIPIENT agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the CITY for review upon request.

The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the CITY pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

7.7 Section 3 Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the agreement through which federal assistance is provided. The SUBRECIPIENT certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The SUBRECIPIENT further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this agreement:

"The work to be performed under this agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low and very low-income persons residing in the metropolitan area in which the project is located."

The SUBRECIPIENT further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low and very low-income residents within the service area or the neighborhood in which the project is located, and to low and very low-income participants in other HUD programs.

The SUBRECIPIENT certifies and agrees that no contractual and/or other legal incapacity exists that would prevent compliance with these requirements.

b. Notification

The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontract

The SUBRECIPIENT will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The SUBRECIPIENT will not subcontract with any entity where it has notice or

knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

7.8 Conduct

a. Assignability

The SUBRECIPIENT shall not assign or transfer any interest in this agreement without the prior written consent of the CITY thereto; provided, however, that claims for money due or to become due to the SUBRECIPIENT from the CITY under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the CITY.

b. Subcontracts

(1) Approvals

The SUBRECIPIENT shall not enter into any subcontracts with any agency or individual in the performance of this agreement without the written consent of the CITY prior to the execution of such agreement.

(2) Monitoring

The SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

(3) Content

The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this agreement.

(4) Selection Process

The SUBRECIPIENT shall undertake to insure that all subcontracts let in the performance of this agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the CITY along with documentation concerning the selection process.

7.9 Hatch Act

The SUBRECIPIENT agrees that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

7.10 Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 2 CFR Part 200 and 24 CFR 570.611, which include (but are not limited to) the following:

- a. No employee, officer or agent of the SUBRECIPIENT shall

participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

- b. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, subcontractor, consultant, officer, or elected or appointed official of the CITY, the SUBRECIPIENT, or any designated public agency.

7.11 Lobbying

The SUBRECIPIENT hereby certifies that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of it, 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; and,
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and,
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENTS shall certify and disclose accordingly; and,
- d. Lobbying Certification: This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this

transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

7.12. Copyright

If this contract results in any copyrightable material or inventions, the CITY and/or grantor agency reserves the right to royalty-free, exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7.13. Religious Activities

The SUBRECIPIENT agrees that funds provided under this agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization. An organization that is awarded direct HUD funds may still engage in inherently religious activities providing they are voluntary for participants in HUD-funded activities and occur separately in time or location from the HUD-funded activities. An organization receiving HUD funds may not restrict HUD-funded services or housing to people of a particular religion or religious denomination.

8. ENVIRONMENTAL CONDITIONS

8.1 Air and Water

The SUBRECIPIENT agrees to comply with the following requirements insofar as they apply to the performance of this agreement:

- a. Clean Air Act, 42 U.S.C., 7401, *et seq.*;
- b. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued hereunder;
- c. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

8.2 Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the SUBRECIPIENT shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

8.3 Lead-Based Paint

The SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners,

prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures might be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

8.4 Historic Preservation

The SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, and any and all local ordinances insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

9. SEVERABILITY

If any provision of this agreement is held invalid, the remainder of the agreement shall not be affected thereby and all other parts of this agreement shall nevertheless be in full force and effect.

10. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this agreement are included for convenience only and shall not limit or otherwise affect the terms of this agreement.

11. WAIVER

The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive its right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

12. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the CITY and the SUBRECIPIENT for the use of funds received under this agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the CITY and the SUBRECIPIENT with respect to this agreement.

IN WITNESS WHEREOF, the City Manager of the City of Garden Grove has caused this agreement to be subscribed and attested by the City Clerk hereof, and the SUBRECIPIENT has subscribed the same through its authorized officer, the day, month and year first above written.

[SIGNATURE BLOCK ON FOLLOWING PAGE]

SUBRECIPIENT

CITY
CITY OF GARDEN GROVE,
a municipal corporation

By: _____

By: _____

LISA KIM
City Manager

Dated: _____

Dated: _____

Approved as to Form:

Attest:

By: _____

By: _____

OMAR SANDOVAL
City Attorney

TERESA POMEROY,
City Clerk

Dated: _____

Dated: _____
