

OEWD Request for Proposals (RFP) #228
Appendix F
Federal Provisions (Area T)

Definitions

"CDBG Funds" shall mean the federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) dollars included in this agreement.

"CDBG Program" shall mean the CDBG Program on file with City, together with all applicable federal regulations and the CDBG grant agreement between HUD and City.

"Procedures Manual" shall mean the City's Operating and Procedures Manual, and as the same may be amended from time to time.

"Project Budget" shall mean the project budget attached to this Agreement as Appendix A.

"Work Program" shall mean the Grantee's Work Program identified in Appendix B attached hereto.

A. General

Grantee shall abide by all existing and future applicable federal laws and regulations, including HUD, DOJ and Council on Environmental Quality (CEQ) regulations, as they may be amended, from time to time, pertaining to the Work Program and to third person contracts or agreements relating to the Work Program. In the event the Funding Source amends, waives, or repeals any Funding Source administrative regulation previously applicable to Grantee's performance under this Agreement, the City expressly reserves the right to require performance of Grantee as though the regulation were not amended, waived or repealed, subject only to written and binding objection by the Funding Source. Prior to constructing any physical improvements using the CDBG Funds, Grantee shall forward to City a copy of any required environmental approvals, determinations, negative declaration exemptions or the like. The Grantee agrees to abide by 24 C.F.R. Part 58 and Part 570, as the same may be modified, supplanted or supplemented from time to time, including but not limited to all requirements and limitations relating to standards and cost reasonableness for procurement of goods and services. The Grantee acknowledges that it has reviewed each of the above documents, and will be responsible for ensuring its own compliance with the terms and conditions of these documents. The Department will make available to the Grantee additional copies of each of these documents at the Department's offices.

Grantee understands and acknowledges the limitations and requirements imposed on Grantee as a result of the Funding Source for this Agreement, as identified on the third page of this Agreement, including applicable federal and/or state regulations and the agreement between City and the federal or state entity, if any, that provided the funds to City for this Agreement. As a result, all use of CDBG grant funds require strict compliance with the CDBG Program. Grantee agrees that all activities taken by Grantee and its agents under this Agreement shall comply with the applicable program requirements and, if Grantee has any

questions regarding such requirements Grantee shall (i) look at the applicable program requirements on file with the City, and (ii) seek clarification from City staff.

Grantee shall promptly comply with all standards, specifications and formats of City under the City Program, including those set forth in City's Operating Procedures Manual and/or Capital Implementation Manual (the "Procedures Manual") previously delivered to Grantee and incorporated herein by this reference, as the same may be updated or amended from time to time, related to evaluation, planning and monitoring of the Work Program and shall cooperate in good faith with City in any evaluation, planning or monitoring activities conducted or authorized by City.

The Work Program for direct services must be intended to either maintain services that are currently funded with CDBG, ESG or HOPWA or increase the level of services currently provided by Grantee.

Grantee shall, upon request or as appropriate, prepare and make public presentations or conduct public meetings or hearings relative to the accomplishments of the Work Program. Grantee agrees to promptly comply with any request by City to conduct such presentations or meetings in response to City or community concerns relating to the Work Program.

Grantee acknowledges the importance of the public's understanding of City efforts. Grantee agrees to identify and publicize newsworthy program accomplishments and activities, and to acknowledge the Funding Source if and when appropriate and possible. In addition, Grantee shall credit City, and the Funding Source as applicable, in all Publications, press releases, brochures, and other material resulting from activities, events, projects or programs supported with the Contract Funds. If a CDBG project, this acknowledgment should identify the project as: *"Funded by the Office of Economic and Workforce Development through the Community Development Block Grant Program."* Except as set forth in this Section, Grantee shall not use the name of the City (as a reference to the municipal Grantee as opposed to location) in any Publication without prior written approval of City.

B. Payments

- 1) Grantee shall submit payment requests to City, no more frequently than monthly, together with copies of all invoices and other documents supporting the request as required by the procedures identified in the Procedures Manual. City shall have no obligation to disburse the requested amounts unless and until Grantee has provided appropriate documentation or other support, to the satisfaction of City, that the requested payment complies with the requirements of this Agreement. Upon review and approval of the request, and at City's option, a physical inspection of the Work Program, City will process payments to Grantee. If the payment request relates to amounts due pursuant to third party contracts, City will not disburse amounts that exceed the amounts specified in the approved contract. Grantee agrees that if the Grantee claims or receives payment from the City for an expense, payment or reimbursement which is later disallowed by the state or federal government, the Grantee shall promptly refund the disallowed amount to the City upon the City's

request. At its option, the City may offset all or any portion of the disallowed amount against any other payment due to the Grantee or hereunder or under any other Agreement. Any such offset with respect to a portion of the disallowed amount shall not release the Grantee from the Grantee's obligation hereunder to refund the remainder of the disallowed amount.

- 2) City will pay for eligible costs incurred by Grantee on a cost-reimbursement basis in conformance with all the terms of this Agreement and with the provisions of Office of Management and Budget ("OMB") Uniform Guidance requirements in C.F.R. Title 2, Subtitle A, Chapter II, Part 200.
- 3) Any and all payments must be made in strict accordance with the Project Budget. Grantee agrees to refund to the City any payments that City determines were not properly due to Grantee under this Agreement, immediately upon receipt of notice from City of such determination. Any amendment to the Project Budget must be made in accordance with Section __.
- 4) With respect to funds provided by the state or federal government, Grantee agrees that if Grantee claims or receives payment from City for an expense, payment or reimbursement of which is later disallowed by the state or federal government, Grantee shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset all or any portion of the disallowed amount against any other payment due to Grantee hereunder or under any other Agreement. Any such offset with respect to a portion of the disallowed amount shall not release Grantee from Grantee's obligation hereunder to refund the remainder of the disallowed amount.
- 5) Costs incurred by the Grantee prior to commencement of the Term of this Agreement or following the expiration or earlier termination of this Agreement, regardless of the type of costs are not reimbursable.
- 6) Grantee shall be prepared to submit a final cost reimbursement invoice which reconciles all charges for the program year in addition to covering the charges incurred for the final month of the contract term. If a refund is due to City, it must be submitted with the final invoice. City will inform Grantee of the due date for all close-out deadlines. Any expenses submitted after the communicated deadline (generally 20 days following the fiscal year end) will not be paid. Grantee will prepare an annual report in consultation with City.
- 7) In the event of any dispute between Grantee and any Grantee, lessor or other third party relating to the Work Program, Grantee shall immediately inform the City of the dispute and all information relative to the dispute. The City shall have no responsibility for resolving disputes between Grantee and any subGrantee or lessor pertaining to the Work Program, nor shall the City be obligated to make any payments during the period that the City determines such a dispute exists. In the event any such dispute is not resolved within ninety (90) days, the City may, at its option, immediately suspend or terminate this Agreement and the City shall not be obligated to disburse any funds with respect to the disputed work; provided, however, Grantee shall not be obligated to

return any funds which have been disbursed by the City and properly applied by Grantee for permitted expenses under this Agreement.

c. Program Income

- (a) "Program Income" shall mean gross income earned by Grantee from CDBG-supported activities, including but not limited to service fees, proceeds from the sale of commodities and real or personal property, usage and rental fees, payments of principal and interest on loans to eligible recipients and the repayment of deferred payment loans.
- (b) Program Income generated prior to the payment of the entire Contract Amount shall be retained by Grantee and expended against operating costs or improvement items identified in the Project Budget, or against additional operating costs or improvement items that are approved in writing by City. Program Income shall be substantially disbursed for eligible activities before additional cash payments may be requested under this Agreement. The amount of the Contract Amount to be disbursed to Grantee may be reduced to the extent City reasonably determines Program Income is available to pay for items listed in the Project Budget.

Program Income earned after the payment of the entire Contract Amount but before expiration of the term of this Agreement shall be expended for eligible activities only and upon the prior written approval of City. Grantee shall return to City any unexpended Program Income from the Work Program or from any other CDBG-funded activity.

D. Non-Discrimination

(1) Federal Requirement – In the Work Program and all contracts and subcontracts relating thereto, Grantee agrees to comply with the following laws and statutes relating to nondiscrimination: Titles VI and VII of the Civil Rights Act of 1964 (Pub. L. 88-352), Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), Section 109 of the Housing and Community Development Act of 1974 (24 U.S.C. Section 5409), and Executive Order 11246, as amended by Executive Order 11375 and supplemented by Department of Labor regulations (41 C.F.R. Part 60) regarding equal employment opportunity.

(2) Grantee agrees to post in conspicuous places available to employees and applicants for employment, to place in all solicitations or advertisements for employment, and to send to each labor union or representative of its employees, notices setting forth Grantee's nondiscriminatory practices as required hereunder.

(3) Grantee shall allow City and the Funding Source access to all of its books and records to ascertain compliance with this Section. In the event of (d) Grantee's noncompliance with the nondiscrimination provisions of this Agreement, this Agreement may be canceled, terminated or suspended in whole or in part and Grantee may be declared ineligible for further government contracts.

(4) Grantee shall include these nondiscrimination provisions in every subcontract or purchase order unless exempted by Executive Order 11246 so that this Section will be

binding on each subGrantee or vendor. Grantee shall take such action with respect to the subGrantee or purchase order as City and/or the Funding Source may direct to enforce such provisions, including sanctions.

(5) Grantee certifies that it does not maintain nor provide for its employees any segregated facilities, and it does not permit its employees to perform services at any location where segregated facilities are maintained. As used herein, the term “segregated facilities” means any areas, which are segregated on the basis of race, creed, color or natural origin, because of habit, local custom or otherwise.

E. Section 3 Requirements

- (a) Grantee agrees to abide by (i) 24 C.F.R. Part 84 and Part 570; and (ii) OMB Uniform Guidance requirements in C.F.R. Title 2, Subtitle A, Chapter II, Part 200; as the same may be modified, supplanted or supplemented from time to time. Grantee acknowledges that it has reviewed each of the above documents, and will be responsible for ensuring its own compliance with the terms and conditions of these documents. City will make available to Grantee additional copies of each of these documents at City’s offices.
- (b) Grantee agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, the Safety Standards Act, the Copeland “Anti-Kickback” Act (40 U.S.C. Sections 276, 327-333) and all other federal, state and local laws and regulations pertaining to labor standards insofar as they apply to the performance of this Agreement.
- (c) If applicable under Title 24 of the Code of Federal Regulations (“C.F.R.”) Part 135, Grantee agrees as follows:
 - 1. To comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (“Section 3”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and moderate income persons, particularly persons who are recipients of HUD assistance for housing.
 - 2. To comply with HUD's regulations 24 C.F.R. Part 135 (the “Part 135 Regulations”), which implement Section 3. As evidenced by their execution of this Agreement, the parties hereto certify that they are under no contractual obligation and they have no other impediment that would prevent them for complying with the Part 135 Regulations.
 - 3. To send to each labor organization or representative of workers with which Grantee has a collective bargaining agreement or other similar

understanding, if any, a notice advising the labor organization of workers representative of Grantee's commitments under Section 3, and will post copies of the notice in conspicuous places at all work sites where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, the availability of apprenticeship and training positions and the qualifications for each, the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

4. To include a Section 3 clause similar to this Section in every subcontract subject to compliance with the Part 135 Regulations, and to take appropriate action upon finding that a subGrantee is in violation of the Part 135 Regulations. Grantee shall not subcontract with any subGrantee where Grantee has notice or knowledge that the subGrantee has been found in violation of the Part 135 Regulations.

5. To certify that any vacant employment positions, including training positions, that are filled (1) after a Grantee is selected but before the contract is executed, and (2) with persons other than those to whom the Part 135 Regulations require employment opportunities to be directed, were not filled to circumvent the Grantee's obligations under the Part 135 Regulations.

6. Grantee hereby acknowledges and agrees that noncompliance with the Part 135 Regulations may result in sanctions, termination of this Agreement (including termination of continued funding under this Agreement), and/or debarment or suspension from future HUD assisted contracts.

7. Grantee agrees to comply with the following requirements insofar as they apply to the performance of this Agreement: (a) the Clean Air Act (42 U.S.C. Sections 7401 et seq.); (b) Federal Water Pollution Control Act (33 U.S.C. Sections 1251 et seq.); (c) Environmental Protection Agency regulations pursuant to 40 C.F.R. Part 50; (d) Flood Disaster Protection Act of 1973 (42 U.S.C. Section 4001); (e) HUD's lead based paint regulations at 24 C.F.R. 570.608; and (f) the National Historic Preservation Act of 1966 (16 U.S.C. Section 470) and the procedures set forth in 36 C.F.R. Part 800 on the Historic Preservation Procedures for Protection of Historic Properties.

F. Federal Drug-Free Workplace Act

The Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on the Grantee's premises. The Grantee agrees that any violation of this

prohibition by the Grantee, its employees, agents or assigns will be deemed a material breach of this agreement.

G. Environmental Review and Lead Based Paint

The Grantee agrees to comply with the statutory and regulatory authorities listed at 24 CFR §§58.5 and 58.6 and HUD's lead based paint regulations at 24 CFR §570.608 et seq.

H. Conflict of Interest

In accordance with the OMB conflict of interest provision set forth in Uniform Guidance requirements in C.F.R. Title 2, Subtitle A, Chapter II, Part 200, Subpart D §200.318, Grantee shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of Grantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from Grantees, or parties to subagreements. However, Grantee may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

This section incorporates the conflict of interest provisions of the CDBG regulations (24 CFR 570.611) for the acquisition and disposition of real property and the provision of assistance by Grantee or subGrantees to individuals, businesses, and other private entities under eligible activities.

1. No persons who (a) is an employee, agent, consultant, officer, or elected official or appointed official of City (including CITY and the Citizens' Committee on Community Development), or of any designated public agencies, or of Grantee that is receiving CDBG funds and (b) exercises or has exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG -assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG -assisted activity, or with respect to the proceeds of the CDBG -assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.
2. In order to carry out the purposes of this Section, Grantee shall incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under this Agreement, a provision similar to that of this Section. Grantee shall be responsible for obtaining compliance with such provisions by the parties with whom it contracts and, in the event of a breach, shall take prompt and diligent action to cause the breach to be remedied and compliance to be restored.
3. Upon written request of Grantee, HUD may grant an exception to the provisions of this Section on a case-by case basis when Grantee has satisfactorily met the threshold requirements, which include (i) a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of

how the public disclosure was made; and (ii) an opinion of the City Attorney that the interest for which the exception is sought would not violate State or local law. In determining whether to grant a requested exception that has satisfactorily met the requirements, HUD shall conclude that such an exception will serve to further the purposes of the CDBG program and the effective and efficient administration of the Grantee's program or project, taking into account the cumulative effect of the following factors, as applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
 - b. Whether an opportunity was provided for open competitive bidding or negotiation;
 - c. Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
 - e. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (1) of this Section 11.04 (D);
 - f. Whether undue hardship will result either to Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
 - g. Any other relevant considerations.
4. . No member of the board of directors, governing officer or employee of Grantee who exercises any functions or responsibilities in connection with the planning or carrying out of the City Program during his/her tenure or for one year thereafter, shall have any personal financial interest, direct or indirect, in any contract or subcontract, or the proceeds thereof for work to be performed in connection with the programs assisted under this Agreement. The prohibition contained in this Section shall prevent, among other things, any officer or board member or employee, during his/her tenure and for one year thereafter, from assuming a position, within or outside Grantee, funded directly or indirectly with City funds. Furthermore, no individual employee of Grantee, including the executive director, shall be a member of the Board of Directors of Grantee during his or her employment and for one year thereafter; provided, nothing herein shall prevent any employee from attending Board of Directors meetings. Grantee shall take appropriate steps to assure compliance with this Section. Grantee agrees that it shall incorporate into every contract required to be in writing the following provision:

"Interest of Grantee and Employees – The Grantee covenants that no person, including but not limited to, an officer or board member or employee of Grantee, who presently exercises any functions or responsibilities in connection with the City Program, shall have any personal financial interest, direct or indirect, in this Contract or current City/Grantee Agreement. The Grantee further covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, in the immediate neighborhood or any parcels therein, which would affect or conflict in any manner or degree with the performance of his/her services hereunder. The Grantee further covenants that, in the performance of this contract, no person having any conflicting interest shall be employed. It shall be the responsibility of the Grantee to make all reasonable and lawful efforts and inquiries in determining if any employee or prospective employee has any conflicting interest. Any interest or possible interest of the Grantee or his/her employees must be disclosed to Grantee and to the City."

Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of or participation by residents of the area.

e. By executing this Agreement, Grantee represents that it has distributed a copy of the above conflict of interest provisions to each of Grantee's board members and employees, and agrees to distribute such provisions to each new board member and employee during the term, and Grantee has or will instruct each such board member or employee to verify the absence of any actual or potential conflict.

I. Compliance with Lobbying Provisions

In addition to, and not in substitution for, other provisions of this Agreement regarding the provision of services with the Contract Funds, Grantee agrees to the following provisions pursuant to the Housing and Community Development Act of 1992:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of Grantee, 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.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, 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, Grantee will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, to further the

election or defeat of any candidate for public office, or to support or defeat legislation pending before Congress.

4. Grantee will require that the language of this Section 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. This is a material representation of fact upon which reliance was placed when this Agreement was made.

J. Labor Standards

The Grantee agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, the Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333) and all other federal, state and local laws and regulations pertaining to labor standards insofar as they apply to the performance of this agreement.

K. Suspension or Disbarment

The Grantee represents and warrants that it has not been suspended, disciplined or disbarred by, or prohibited from contracting with, the U.S. General Services Administration or any federal, state or local governmental agency. In the event the Grantee has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by the City. Any such suspension, disbarment, discipline or prohibition may result in the termination or suspension of this Agreement. Grantee acknowledges that this certification of eligibility to receive federal and City funds is a material term of the Agreement.

L. Equipment and Supplies

No Contract Funds under this Agreement will be disbursed by City for the purchase of equipment or supplies in an amount of \$5,000.00 or more, unless pursuant to a written contract previously approved by City in writing and made in conformance with the purchase procedures set forth in Form H. Grantee shall not circumvent this requirement for written consent by dividing an order or payment into two or more parts.

M. Acquisition and Disposition of Nonexpendable Property –

1. Title to all nonexpendable property (nonexpendable property is property other than real property that costs more than \$5,000.00 and has a useful life which exceeds one year) acquired by Grantee in whole or in part with funds provided under this Agreement, shall vest immediately in City for the purpose of securing Grantee's performance under this Agreement, unless City notifies Grantee to the contrary. Grantee shall take any and all steps necessary to take title to such property in City's name. Grantee shall have the right to possession of such property, and shall be solely responsible for the use and maintenance of such property and for any liability associated with the property that arises or relates to any act or omission occurring at any point prior to Grantee's delivery

of the property to City. Grantee may not alienate, transfer or encumber such property without City's prior written consent. At the end of the term or upon earlier expiration of this Agreement, possession of said property should be immediately surrendered to City.

2. Following the term or earlier expiration of this Agreement, City may release the nonexpendable property to Grantee, reallocate it to Grantee under subsequent Agreements, or allocate it to other beneficial public agencies or private nonprofit Grantees.
3. Any interest of Grantee or any subGrantee, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by Grantee or any subGrantee in connection with this Agreement or the implementation of the Work Program or the services to be performed under this Agreement, shall become the property of and be promptly transmitted to City. Notwithstanding the foregoing, Grantee may retain and use copies for reference and as documentation of its experience and capabilities.

N. Monitoring and Reporting

1. Grantee agrees that City may monitor the progress of the activities performed by Grantee pursuant to this Agreement, and Grantee agrees to comply with any requirements imposed by City to meet performance standards required herein.
2. The goal of City's monitoring shall be to determine the following: actual versus planned achievement of Work Program objectives; Work Program performance, effectiveness, efficiency and workload; ethnic and income composition of Work Program beneficiaries and staff; financial accountability and management; and population characteristics of neighborhood service areas. Monitoring by the City under this Agreement may include, but shall not be limited to: (i) on-site inspections by the City staff or the City's agents; (ii) quarterly performance reviews; (iii) interviews with Grantee's staff members and/or clients of Grantee in the performance of the Work Program; (iv) attendance at events, activities or meetings; and (v) a semi-annual evaluation report. Grantee agrees to comply with all of the City's monitoring requests, and to gather information regarding the work funded hereunder as and when requested by the City. Failure to comply with the City's monitoring requests shall be deemed a material breach of this Agreement, and shall entitle the City to exercise any and all rights and remedies available hereunder, including but not limited to the right to terminate this Agreement.
3. Grantee shall submit reports to City as set forth in the Procedures Manual, with a minimum frequency of once a quarter. Reports must summarize the progress of contract implementation activities undertaken as part of this Agreement and the identifiable results of such activities in accordance with Chapter 5 of the Procedures Manual and in accordance with such other requirements as may be specified by City from time to time and applicable Funding Source regulations. Reports shall also include

data and records on the race, sex, and ethnicity of persons receiving employment through activities assisted under this Agreement.

O. Organizational Documents

If requested by City, on or before the date of this Agreement, Grantee shall provide to City the names of its current officers and directors, if applicable, and certified copies of its Articles of Incorporation and Bylaws, if applicable, as well as satisfactory evidence of the valid nonprofit or business status.

P. Notification of Defaults or Changes in Circumstances

Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and (b) any change of circumstances that would cause any of the representations and warranties contained in the Agreement to be false or misleading at any time during the term of this Agreement.

Q. Financial Statements

If Grantee cumulatively expends \$750,000.00 or more in federal funds in a year, it must conduct an independent audit and submit a copy of the audit report to City. The audit shall be performed by an independent auditor in accordance with OMB Uniform Guidance requirements in C.F.R. Title 2, Subtitle A, Chapter II, Part 200, Subpart D §200.510, as it may be amended from time to time.

R. Books and Records

During the term, and for a period of five (5) years after expiration of the term, Grantee shall create and maintain records that include the following information: (i) the specific uses of the Contract Amount and of any other monies used to fund the performance of the Work Program, including records demonstrating that each activity is eligible for reimbursement hereunder; (ii) copies of all invoices, canceled checks, payroll records, attendance records, and any other documentation for costs which have been reimbursed by the Grant Amount, including withholding, social security payments, and other employee/Grantee-related payments; (iii) documentation relating to Grantee's tax-exempt status; (iv) Grantee's tax returns and financial statements applicable the term; and (v) financial information as required by the Funding Source, including 24 C.F.R. Part 570.502. All records shall be maintained in a manner that, in the City's reasonable judgment, will provide an effective system of internal control and will permit timely and effective audits as required by this Agreement. For federal Funding Sources, all records shall be maintained in accordance with OMB Uniform Guidance requirements in C.F.R. Title 2, Subtitle A, Chapter II, Part 200, and in a manner which, the City's reasonable judgment, will provide an effective system of internal control and will permit timely and effective audits as required by this Agreement. 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 five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever is later

During the term, and for a period of five (5) years after expiration of the term, Grantee shall also create and maintain records that include the following information: (i) records demonstrating that each activity undertaken meets CDBG, ESG, or HOPWA program-specific requirements; and (ii) financial information as required by 24 C.F.R. Part 570.502. All records shall be maintained in accordance with OMB Uniform Guidance requirements in C.F.R. Title 2, Subtitle A, Chapter II, Part 200 and HUD regulations, as applicable.

S. Subcontracting

1. Grantee, when necessary to complete the Work Program, may subcontract parts of the Work Program to Grantees acceptable to City, subject to the provisions of this Section.
2. Prior to entering into any contract for Grantee or consultant services for Five Thousand Dollars (\$5,000.00) or more, Grantee must submit the proposed contract to City for approval, together with information concerning the qualifications and licensing of the proposed Grantee or consultant and any additional information requested by City. All proposed contracts must detail the responsibilities, standards and compensation of the Grantee or consultant. Reasons for disapproval of such contract may include, but are not limited to, a scope of work or budget that does not reflect the Project Budget or Work Program, or insufficient qualifications of the Grantee or consultant.
3. No funds will be disbursed by City for the services of a Grantee or consultant unless pursuant to a written contract. All contracts for \$5,000.00 or more must be approved in writing by City in advance, and shall be made in conformance with the requirements and procedures set forth in /City Form H: Request for Approval of Subcontract and Equipment Purchases ("Form H"). Without limiting the foregoing, all contracts and subcontracts entered into by Grantee must include the applicable provisions of this Agreement relative to the Funding Source.
4. No person providing services under contract with Grantee will receive more than a reasonable rate of compensation for such services paid with the Contract Amount, which amount shall not exceed, on a daily basis, the maximum daily rate of compensation for a GS-18 employee as established by federal law. Adjustments of eligible costs for such services may be made where audit and monitoring reviews indicate that the rates of compensation were not reasonable or exceeded the maximum permissible rates. Services provided under an independent Grantee relationship is governed by the Procurement Standards set forth in 24 C.F.R. Part 84 and is not subject to the GS-18 limitation.
5. In the event that Grantee contracts parts of the Work Program to Grantees acceptable to City, Grantee shall not thereby be relieved from any liability or obligation under this Agreement and, as between City and Grantee, Grantee shall be responsible for the acts, defaults and omissions of any Grantee or its agents or employees as fully as if they were the acts, defaults or omissions of Grantee. Grantee shall ensure that its Grantees comply with all of the terms of this Agreement, insofar as they apply to the contracted

portion of the Work Program. All references herein to duties and obligations of Grantee shall be deemed to pertain also to all Grantees to the extent applicable. A default by any Grantee shall be deemed to be an Event of Default hereunder. Nothing contained in this Agreement shall create any contractual relationship between any Grantee and City.