

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

<input checked="" type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED <u>39</u> PAGES	AGREEMENT NUMBER 19-CDBGDR17-001-A	AMENDMENT NUMBER 1	Purchasing Authority Number 2240
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTOR NAME

Horne, LLP

2. The term of this Agreement is:

START DATE

5/29/2020

THROUGH END DATE

5/28/2023

3. The maximum amount of this Agreement after this Amendment is:

\$13,614,770.40

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

- A. This amendment adds \$10,651,502.40 to the total cost of the contract, increasing the total cost of the contract from \$2,963,268.00 to \$13,614,770.40.
- B. This amendment adds funds for operation of the 2018 OOR Program per the existing Scope of Work and updates and corrects contract language.
- C. Exhibit A, Authority, Purpose, and Scope of Work, is hereby deleted in its entirety and replaced with Exhibit A, Authority, Purpose, and Scope of Work (12/31/20) attached hereto.
- D. Exhibit B, Budget Detail and Payments Provisions, is hereby deleted in its entirety and replaced with Exhibit B, Budget Detail and Payment Provisions, (12/31/20) attached hereto.
- E. Exhibit D, HCD Additional Contract Terms, is hereby deleted in its entirety and replaced with Exhibit D, HCD Additional Contract Terms (Rev. 12/30/20) attached hereto.
- F. Exhibit E, CDBG-DR Terms and Conditions, is hereby deleted in its entirety and replaced with Exhibit E, CDBG-DR Terms and Conditions (Rev. 12/31/20) attached hereto.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Horne, LLP

CONTRACTOR BUSINESS ADDRESS

1215 19th Street Northwest, 3rd Floor

CITY

Washington

STATE

DC

ZIP

20036

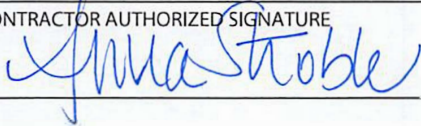
PRINTED NAME OF PERSON SIGNING

Anna Stroble

TITLE

Engagement Partner

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED

1/24/21

STANDARD AGREEMENT - AMENDMENT

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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 West El Camino Avenue, Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Synthia Rhinehart

TITLE

Contracts Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Synthia Rhinehart

DATE SIGNED

1/25/2021

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL



EXEMPTION (if Applicable)

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Horne LLP, hereafter referred to as the (“Contractor”), agrees to provide to the Department of Housing and Community Development, hereafter referred to as (“HCD” or “Department”) with the implementation and administration of ReCover California Program (“ReCoverCA”) (the “Program”) and potentially expand those services to accommodate other similar programs, including programs resulting from future disasters and/or future programs through federal or state funding, or other special grants (“Work”) as described herein.
2. Work shall be provided throughout the state, during the hours of 8:00 am to 5:00 pm, Monday through Friday, excluding State observed holidays, as applicable.
3. The Representatives during the term of this Agreement will be:

Department of Housing and Community Development	Horne, LLP
Section/Unit: Division of Financial Assistance (DFA)/CDBG-DR	Project Manager: Anna Stroble
*Contract Manager: Sue Naramore	Title: Engagement Partner
Address: 2020 West El Camino Avenue, Suite 500 Sacramento, CA 95833	Address: 1215 19 th Street Northwest 3 rd floor Washington, DC 20036
Bus. Phone No.: (916) 263-0371	Bus. Phone No.: 601-260-5387
Email: susan.naramore@hcd.ca.gov	Email: anna.stroble@HORNEllp.com

**HCD will have the right to change the Contract Manager from time to time throughout the term of this Agreement. Such change will not require the consent of Contractor. HCD will notify Contractor in writing of the name of the new Contract Manager within 30 days of his or her appointment to such position. Such written notice will not constitute, nor require, an amendment to this Agreement.*

4. OVERVIEW

This Agreement is issued by the California Department of Housing and Community Development, Disaster Recovery Section (HCD-DRS) to support the implementation and administration of the Program and potentially expand those services to accommodate other similar programs, including programs resulting from future disasters and/or future programs through federal or state funding, or

EXHIBIT A

other special grants. The Contractor will be responsible for successfully implementing and completing processing on all applications, including entering into appropriate arrangements with subcontractors and third-party vendors, ensuring appropriate and accurate disbursement of funds, potentially disbursing funds, monitoring compliance, and completing all other activities required to close out the Program. The Contractor shall coordinate to maximum extent possible with local disaster case management providers to locate and serve eligible clients for the Program.

The Contractor will also be responsible for working with the Construction Design-Build, Management Services Contractor (CDBMS), which will be awarded in a separate Request for Proposal. The Contractor will be responsible for implementing and integrating the CDBMS processes within the Scope of Work, for all applicable solutions.

For context, the CDBMS responsibilities will include, but not be limited to, the following within the Scope of Work:

- Completing scope of work and damage assessment of homeowners. They will maintain a complete understanding of all applicable Program policies, requirements, state and local codes, including California Building Standards Code, (CBS) Chapter 7a, and California Residential Code (CRC) Section R337, and evaluating protocols.
- Conducting the initial inspection of an applicant's damaged home where a damaged assessment and/or complete scope of work assessment will be completed using web-based, industry standard residential construction cost estimating software. The inspection will address any environmental on-site requirements necessary to complete the final clearance and allowance for notice to proceed. Additionally, subsequent inspections focused on the contractual draw requests for applicants participating in Solution 2, the homeowner managed solution, are required. The scope of work assessment and environmental review report and clearance must be uploaded in the program management software (eGrants) for task delivery to be considered complete. **FEDERAL ENVIRONMENTAL REVIEW RECORD (ERR)- TIER I AND II SITE SPECIFIC STATE ENVIRONMENTAL REVIEWS PER CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)** The CDBMS will provide the appropriate level of review as needed. The Contractor shall ensure that all CEQA reviews are completed within the same timeframes as the HUD mandated environmental reviews. **LEAD BASE PAINT AND ASBESTOS TESTING** – The CDBMS will provide these tests and associated remediation on an as-needed basis, however, since most properties were fully destroyed, the need for these tests may be low.

Tasks to be accomplished by the Contractor, under this contract, will be addressed with associated deliverables, performance measures, milestones, and

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timelines, among other requirements. The Contractor will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this Contract. The scope of work presented is based upon circumstances existing currently.

The Contractor will be responsible for assisting HCD-DRS in drafting and maintaining current versions of all program policies and procedures for the Program.

The Contractor will maintain close coordination and cooperation with HCD-DRS's Prime Grant Management Contractor (PGMC) responsible for assisting HCD-DRS with overall HUD grant management, and a Quality Assurance/Quality Control (QA/QC) provider, if any, with anticipated communication on a daily basis. The PGMC (and QA/QC, if any) provider(s) will be procured via a separate RFP(s) for the purposes of monitoring performance and internal controls, related to process management and grant management services. Reporting requirements may be included within one or both of these contracts to provide reporting requirements for HCD-DRS and Contractor.

The Program will provide eligible homeowners the choice of two (2) Solutions, with the possibility of a third:

- A. **SOLUTION 1. Turnkey (Full Service)** solution whereby the Contractor provides case management and program compliance oversight, and the CDBMS contractor evaluates the damage and creates the scope of work, then performs or contracts for all needed services-environmental reviews/lead base paint testing, construction, etc. to bring the dwelling to a reasonable level of livability.
- B. **SOLUTION 2. Homeowner Managed Construction** where the owner has already engaged a construction contractor or chooses to engage in a construction contract independently. The Contractor will provide case management and program compliance oversight, and the CDBMS will provide environmental services, as needed.
- C. **SOLUTION 3. NOT CURRENTLY AVAILABLE BUT MAY BE, PENDING SURVEY RESULTS - Reimbursement** solution where the owner has already restored the dwelling to livability or incurred construction costs and can provide itemized invoices and proof of payment for the eligible work performed. The Contractor shall confirm the work performed conforms to the level of actual fire damage and determine if any additional work is required to restore the home to minimum ReCoverCA Program standards. The Contractor would be charged with verifying invoices, applying reasonable cost standards to the invoices and paying the owner any amounts due, less any duplicate benefits received by the homeowner.

*Note that should Solution 3 become available, Solutions 1 and 3 or 2 and 3 may be combined for certain applicants, depending on their individual situation.

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5. GENERAL REQUIREMENTS FOR SOLUTIONS 1, 2 and 3

- A. The Contractor will explain to the homeowner what damages are eligible for the program and shall obtain all necessary documentation which may include pre-construction pictures demonstrating the fire related damages and the pre-construction condition of elements identified for inclusion in the proposed project scope of work.
- B. The Contractor will explain homeowner's options regarding the two, possibly three, available solutions, so that the homeowner may make an informed decision as to which solution to pursue.

6. CONTRACTOR'S GENERAL REQUIREMENTS FOR ALL SOLUTIONS

- A. The Contractor must ensure all staff and subcontractors know and enforce housing policies required by HCD-DRS's ReCoverCA Program and HUD (including, but not limited to, those addressing mobile homes, minimum standards, mold remediation, lead based paint, asbestos, WUI codes, floodplain requirements etc.). Contractor must also both ensure and document compliance with same requirements.
- B. The Contractor shall conduct criminal and financial background checks for all personnel to be utilized for the Program and ensure that only those who can successfully pass said checks are engaged on the project.
- C. The Contractor shall provide all staff and subcontractors working outside of established Program offices with identification, including a standard color collared shirt and photo identification. The words: 'ReCoverCA Program' and 'Contractor' are required to be clearly visible on both the shirt and photo identification badges, which shall be designed to discourage and reduce chances of counterfeiting.
- D. All Contractor staff and subcontractors meeting with homeowners must possess and present at all times approved work orders showing authorization to survey and conduct work on their homes. Work orders must clearly identify the scope of work and anticipated timelines for work completion as the Contractor must also provide documentation to the homeowner explaining the rights of the homeowner throughout the construction process.
- E. The Contractor will establish an escalation and resolution protocol for any homeowner issue resulting from contract operations and engagement, and shall keep the State informed as to the progress of all complaints.
- F. The Contractor will report to the State any evidence of fraud or potential criminal activity as soon as possible but no later than two (2) workdays from discovery.
- G. The HCD-DRS expects the Contractor to provide competent and qualified staff to work on the scope of services under this contract. The HCD-DRS reserves the right to prohibit unqualified or incompetent staff of the Contractor

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from assisting with the implementation and administration of the "Program(s)". No key personnel may be assigned to the resulting Contract without the written consent of the State. When determining staffing levels, the Contractor must anticipate that personnel will work a maximum of 40 hours per week onsite to complete the assigned tasks. Any hours in excess of 40 hours per week require approval by the State and/or State Program Manager (SPM) and proof of payment to the personnel who work the excess hours. The Contractor will be paid at the same agreed upon billing rate listed in Attachment 3 (or lower negotiated rates) for all units/hours worked. The Contractor will be required to coordinate with the State on staffing during recognized State and Contractor holidays.

7. TASKS AND SERVICES

This section provides a detailed list of tasks and services the Contractor will be responsible for providing under the contract. The Contractor will be responsible for entering information related to these tasks in the applicable State-approved systems of record (eGrants and Grants Network) on a daily basis. The Contractor will be required to coordinate with other programs being administered by the HCD-DRS as required and at summary level, these tasks include:

- A. Task 1 - Start-up of ReCoverCA Program
- B. Task 2 - ReCoverCA Services
 - 2.1. Program Operations and Administration
 - 2.2. ReCoverCA Case Management Services
 - 2.3. Program Administration Services
 - 2.4. Accounting/Reporting and Closing
 - 2.5. Applicant Relations
 - 2.6. Document Management
 - 2.7. Anti-Fraud, Waste, and Abuse (AFWA)
 - 2.8. Public Relations/Outreach
 - 2.9. Policy/Training
 - 2.10. Grant Recapture
 - 2.11. Reporting
- C. Task 3 - Close-Out of ReCoverCA Program

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8. Task 1 – Start-Up of ReCoverCA Program

- A. At the direction of the State Program Manager (SPM) or designee, the Contractor will be responsible for performing the tasks identified below which may include, but are not limited to, the following:
- 1) Complete the operational plan and cash flow projections for the expenses of the Program and assistance payments, using Community Development Block Grant – Disaster Recovery (CDBG-DR) funds; to include controls to avoid fraud, waste and mismanagement of funds, controls to eliminate duplication of benefits from insurance companies, Small Business Administration, Federal Emergency Management Agency, etc., processes for determining damage assessment and methods for ensuring ownership of property (tax accessor information) along with titles being free and clear (if required by the Program), review legal agreements. All procedures and systems shall be in accordance with federal and state regulations and in conformance with the State’s contractual agreement with HUD.
 - 2) Incorporate the Construction Design-Build, Management Services into the operational plan, to include pre-award site inspections, damage assessments, cost to rebuild (square footage assessment) and the allowable costs Scope of Work (SOW) to restore the home to the HCD-DRS approved standards, for all homeowners. The Program Management Services Contractor must coordinate efforts with the Construction Design-Build, Management Services Contractor to ensure and certify that construction work was done within the approved parameters of the SOW.
 - 3) The program will provide Policies and Procedures for the ReCoverCA Program. The Contractor will be fully responsible for managing the document once they are on board including tracking updates to program policies, procedures, forms, agreements, and checklists.
 - 4) Compile, analyze all homeowner assistance survey data, and make recommendation to HCD-DRS/State Program Manager and State Program Specialist for best programming option to address survey results.
 - 5) If needed, in consultation with HCD-DRS staff and Prime CDBG-DR Grant Management Contractor, provide for review and final submission any needed programmatic waivers and/or amendments (substantial or non-substantial) to the Action Plan which allow the State needed flexibility to carry out the ReCoverCA Program mission. Initial draft(s) due to State Program Manager within five (5) business days after determination is made that waivers/amendments are needed.
 - 6) As directed by the State, required to secure space and equipment necessary to stand up and operate temporary and/or “pop-up” Housing

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Assistance Events across multiple days or weeks in the disaster impacted areas. The Contractor should plan on at least one Housing Assistance Event in each of the impacted counties as appropriate during both the survey and application phases of the Program. The Contractor will be responsible for all costs of operating the events, but approval and subsequent reimbursement is dependent upon local need, workload, and cost reasonableness.

- 7) Secure the necessary personnel and equipment to be able to take applications in-person and over the phone in a timeframe agreed to in writing by HCD and the Contractor. (This has been amended to reflect the uncertainties of timing caused by the COVID-19 crisis).
- 8) Develop procedures and forms for obtaining privacy releases, both in-person at Housing Assistance Events and from applicants who reside in remote locations.
- 9) Complete the hiring of at least 40% of the personnel (including personnel of subcontractors) within thirty (30) days of the contract start date required to operate the programs.
- 10) Enter into contracts, which are provided to and approved by the State, with all subcontractors required to operate the Program within thirty (30) business days of the start date of the contract.
- 11) Design and launch a public education and outreach campaign which will begin within 30 calendar days after the contract start date, and continue actively for six months, for the purpose of encouraging all eligible homeowners to apply for assistance.
- 12) Provide information about the Program. All final documents provided by the Contractor must be compliant with Section 508 ADA access and State of California AB 434. AB 434 requires WCAG 2.0 compliance,
- 13) Make ready all electronic documents, with necessary protections of privacy.
- 14) Within the full program policies and procedures manual, include policies and procedures for:
 - Verifying other sources of funds (Duplication of Benefits) for approval by HCD-DRS,
 - Determining scope of work required for construction completion (in coordination with Construction Design-Build, Management Services contractor),
 - Safeguarding assets and managing assets, and

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- Maintenance of files for duration of the contract and delivered to HCD in a manner that is agreed upon by HCD Program Manager and the vendor.
- 15) At the request of HCD/HCD-DRS, make senior managers of the Proposer or subcontractor firms available for media interviews, meetings with federal officials, and other necessary external meetings, each instance of which must be requested by and/or approved by a designated representative of the State.
 - 16) Any other tasks deemed mission-critical by the State.

9. Task 2 – Administer the ReCoverCA Program

A. Task 2.1 – Program Operations and Administration

- 1) Oversee program operations and administration related to the Program to meet the performance measures, and timelines prescribed in the work plan.
 - 2) Work closely with the State and its designees in preparing and submitting an overall project plan for the Program, manage day-to-day operations, improve processes for quality and efficiency, and implement policy changes.
 - 3) Provide reports to program management, via email, that reflect the major activities for the reporting period as specified by the HCD-DRS (e.g. monthly, quarterly).
 - 4) Communicate proposed quality assurance/quality control procedures and potential Program risks, issues, statuses, recommendations, and resolutions to the State.
 - 5) Perform routine quality checks of the operational/functional areas using a standard checklist, to be approved by the SPM to ensure that applications are processed according to approved policies. Report the results and recommendations to the SPM and SPS on a bi-weekly basis, via email and during a weekly program update call.
 - 6) Track and complete inventory of all items purchased with Program funds or provided by the State.
 - 7) Scale staff to efficiently run the Program.
 - 8) Coordinate with the HCD-DRS and other external entities, to conduct research and provide information related to the Program.
- B. Task 2.2 – ReCoverCA Case Management Services

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- 1) Take applications from homeowners via web forms, telephone and face-to-face interviews.
- 2) Through personnel acting as Case Managers provide information about the program and answer applicants' questions.
- 3) Verify the ownership and occupancy of each property subject to the application. Ensure that the owner has right title and interest to the property (using tax assessor data), identify all lien holders.
- 4) Conduct Duplication of Benefit analysis and size the grant by securing data sources and verifying sources of funds (e.g. Insurance & SBA) that were paid to applicant as compensation or other settlements or write-offs in connection with the applicant's disaster related property losses, which must be deducted from the amount of the State's assistance, namely: property and hazard insurance payments, any disaster related settlement funds for housing, Small Business Administration (SBA) loans as necessary, and the portion of any FEMA Individual (household) Assistance Payments received by applicants to compensate for real property losses.
- 5) Incorporate the delivery of the pre-award site inspections, site-specific environmental work, damage assessment, cost to rebuild (square footage assessment) or the necessary repairs in the allowable cost Scope of Work (SOW) to restore the home to the HCD-DRS approved standards, in order to communicate these services to the applicants. Program Management Services will work with CDBMS contractor to ensure and certify that construction work was done within the approved parameters of the SOW.
- 6) Calculate the amounts of assistance due to qualified applicants, prepare all documents related to the commitment and disbursement of this assistance by the State, and forward this documentation to the State.
- 7) For some or all assistance transactions, file documents in the public records and provide escrow services as instructed by the State.
- 8) Provide applicants with assistance from a case manager, who will advise homeowners on the following:
 - The implications of choosing the various Solutions under the Program.
 - How to understand and manage financial matters such as insurance payments, FEMA payments, outstanding secured loans, liens, etc.
 - Coordinating with the CDBMS teams.
 - If Solution 2, homeowner managed construction, is selected, an initial advisory session about the tasks involved for the owner will be conducted addressing issues such as: how to avoid being defrauded, professional design and survey services that may be required, how to

EXHIBIT A

identify services providers and building contractors through an online registry, and how to manage engagements with those service providers and contractors.

- 9) Ensure that the grant calculations are entered in the system of record as required by the State.
- 10) Obtain and verify all required calculation inputs that are to be captured in the system of record as required by the State, for each remaining applicant.
- 11) Communicate with the applicants regarding the status of their application, requests for additional information, or problems that may arise in conjunction with the application.
- 12) Generate award documents and schedule closings/acknowledgment of grant award meetings.
- 13) Process applications in accordance with the Program policies, procedures, and business processes.
- 14) Coordinate with applicants to resolve issues impacting previous and/or future grant disbursements.
- 15) Document all communications with the applicants regarding the status of their application and subsequent related processes, requests for additional information, or problems that may arise in conjunction with the application in the system of record.
- 16) Develop recommendations to ensure that applicants receive the most favorable benefit available.

C. Task 2.3 – Program Administration Services

- 1) These services will include managerial tasks necessary for the management and administrative aspects of the project that shall include the following elements:
 - Responsible for ensuring that the Program components are administered in a way that is completely consistent and compliant with all applicable Federal and State statutes, regulations, and any other such guidance as may be issued by a Federal government or State governmental agency with jurisdiction.
 - Program planning, organization, contracting, scheduling and reporting to HCD-DRS, by completing a comprehensive set of written operational procedures explaining how, and by whom, all the Program elements necessary to meet the Program's goal to restore the damaged properties of eligible Homeowners will be accomplished. This must include the interaction of CDBMS contractor.

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- Research, analysis, acquisition, and maintenance of Graphic Information System (GIS) data.
 - Administrative, accounting and recordkeeping functions that are compliant with all federal, state and program requirements.
 - Training for specific workflow procedures.
 - Costs for filing public notices and fees paid to agencies
 - Title and escrow services
- 2) Coordination with HCD-DRS – The Contractor will maintain a close coordination with HCD-DRS as needed, with anticipated communication daily. HCD-DRS will have “real time” access to all program data through web-based tools and management systems. In addition, the Contractor will coordinate with HCD-DRS and appropriate contractors to ensure the appropriate level of environmental review is performed and no work is conducted without HCD-DRS concurrence or authorization.

D. Task 2.4 – Accounting/Reporting and Closing

- 1) Account for and reconcile all funds that are (a) requested and received from the State, (b) disbursed to applicants, (c) in process or in suspension, (d) returned by applicants and their insurance companies to the Program (through the insurance subrogation process), (e) returned as a result of grant recapture, and (f) returned by applicants and recipients who decide to no longer participate in the Program (g) Record confirmation of EFT and checks cleared. All funds should be accounted for through eGrants and an escrow account set up by the Contractor. The escrow account must meet standards agreed to by HCD Program Manager and the Contractor in writing.
- 2) Administer the collection and processing of insurance subrogation funds; review and account for subrogation funds according to the Program policies and procedures; and, record the subrogated funds in the State's system of record.
- 3) Provide reconciliation reports and other schedules and reports to the SPM on a prescribed periodic basis established by the State, via email.
- 4) Provide the State with activity, financial and progress reports as required to support billing for services and preparation of reports for State monitoring agencies and HUD.
- 5) Execute disbursement and draw requests according to Program policies, which at a high level include:
 - Notify the State of application approval and coordinate with the State for final approval.

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- Address questions and issues related to each applicant's disbursement.
 - Coordinate funding requests with the State.
 - Process and approve payments submitted by the Construction Design-Build, Management Contractor
 - Record and document all payments through Electronic Funds Transfer (EFT) confirmations or cleared checks.
- 6) Establish escrow accounts for applicants required to contribute funds towards the Construction Activities. The HCD Project Manager will support HCD in the review of invoices and determination of appropriate funding sources. These funds must be disbursed prior to draw request of CDBG-DR funds.

E. Task 2.5 – Applicant Relations

- 1) Provide Housing Assistance (HA) staff to support inquiries made by the applicants via walk-ins, appointments, phone, email, or online submission. The Contractor will provide as Other Direct Cost (ODC) the necessary equipment, including a toll free phone number to accept and log all inquiries. HA support will be provided from 8:00 AM to 5:00 PM, Pacific, Monday through Friday, excluding State holidays.
- 2) Perform routine functions such as fielding and routing inbound calls, making outbound calls to follow up with qualified applicants identified during targeted mailings, schedule follow up appointments, determine the status of an applicant, gather required documentation from the applicants, and assemble in the required format in the system of record.
- 3) Track all inquiries in the applicable system of record.
- 4) Coordinate with other functional areas to draft correspondence for targeted mass mailings and/or applicant status updates for State approval.
- 5) Conduct applicant file research by reviewing internal documentation, regulations and policies, and any additional supporting documentation that has been submitted by the applicant.
- 6) Develop a mediation (appeal) process to resolve disputes homeowners encounter.

F. Task 2.6 – Document Management

- 1) Store and retrieve applicant documents, applicant-related emails, written correspondence, training material, decision logs, and Program policy and procedures (along with information leading up to the policy and procedures decisions) in an electronic environment for quick retrieval

EXHIBIT A

according to State and Federal guidelines for record retention. All documents and materials are the State's property.

- 2) Process, scan and upload documentation into the respective systems of record and/or a virtual location to be determined by the State. This may include documentation for existing applications and any other documentation resulting from quality assurance reviews.
- 3) Perform periodic file inventory.
- 4) Perform mail intake services.
- 5) Coordinate with other functional areas to execute targeted mass mailings (letter campaigns).
- 6) Document and store records electronically for every meeting between Contractor and the State and provide such documentation to the State.

G. Task 2.7 – Anti-Fraud, Waste and Abuse (AFWA)

- 1) Perform process management, file review, reporting and document management, as required for the following
 - Internal and external audits (federal, State and Legislative);
 - Analytic outlier reports;
 - Potential fraud investigations; and,
 - Responses to public record request(s), subpoenas, and prosecutorial support.
 - Develop and manage internal quality control processes to ensure consistency among a large number of staff.
 - Develop anti-fraud, waste and abuse policies and procedures, subject to State approval.
 - Report findings to the State.

H. Task 2.8 – Public Relations/Outreach

- 1) Coordinate outreach efforts, including call-out and letter campaigns, in accordance with an outreach plan to be developed by the Contractor and approved by the SPM. All final outreach materials will be compliant with Section 508 ADA access and State of California AB 434 as necessary utilizing the Adobe Pro DC Accessibility Tool, a color contrast analyzer tool such as: <https://developer.paciellogroup.com/resources/contrastanalyser/>, and a screen reader tool such as <https://www.nvaccess.org/> to determine compliance.

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I. Task 2.9 – Policy and Training

- 1) Develop training administration procedures that ensure uniform and efficient training for all staff, including HCD-DRS staff.
- 2) Maintain, update, and develop a centralized electronic repository to store current and historical policies and procedures, system design training materials and release notes, and all other related materials.
- 3) Provide staff on-boarding process for new and current hires.
- 4) Cross-train the Program staff as required
- 5) Coordinate, integrate, and manage the training activities of all staff responsible for providing the Program services.
- 6) Coordinate, integrate, and manage training activities of all staff responsible for communicating construction management documentation and services.
- 7) Review the Program procedures to ensure that all training materials follow the Program policies and procedures, updating materials as necessary.

J. Task 2.10 – Grant Recapture

- 1) Develop grant recapture procedures.
- 2) Implement recapture process for applicants that may be required to return funds under the Program rules.

K. Task 2.11– Reporting

- 1) Create reports to track performance, inventory, staffing levels and status of homeowners throughout the process.
- 2) Prepare pipeline report monthly which provides data required by HCD-DRS to monitor the progress of the Program.
- 3) Prepare flow charts of Program processes.
- 4) Create charts and maps of designated areas as requested by HCD-DRS.
- 5) Reconcile all federal funds requested and drawn from HUD, as applicable for the Program and awarded to grant recipients.

10. Task 3 – Close-Out of ReCoverCA

- A. Close out files for all applications and closed transactions, including electronic files related to all stages of processing applications from the Program.
- B. Provide final program activity and financial reports to the SPM and SPS.

EXHIBIT A

- C. Provide all other documentation and certifications required by the contract and terms of the federal funding to the SPM and SPS.
- D. Participate in and cooperate with all activities associated with any transition to a successor staff, including but not limited to education and training.

11. Deliverables

- A. Tasks to be accomplished under the contract will be addressed in contract and communicated deliverables, performance measures, and timelines, among other HCD-DRS requirements.
- B. The Contractor shall work with the HCD-DRS management and HCD's CDBG-DR Prime Grant Management Services Consultant to determine which metrics shall be measured and monitored for adequate contract performance. The Contractor should also develop processes and systems for routinely measuring and reporting deliverables and evaluation results. These processes should also include goal setting and process improvement to foster a continuous evaluation and improvement of environment.

12. Effective Date and Term

- A. This Agreement is effective upon approval by DGS. The termination date of this Agreement is three years from DGS approval, unless extended pursuant to subparagraph B below. No services shall be provided before approval by DGS, or after the termination date.
- B. This term of this Agreement shall commence on the Agreement Effective Date and span three (3) years, with six (6) optional extensions not to exceed a total of nine (9) years.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Agreement Amount

The total amount of this Agreement shall not exceed \$13,614,770.40.

- The total amount of this Agreement for work related to the 2017 disasters shall not exceed \$2,963,268.00.
- The total amount of this Agreement for work related to the 2018 disasters shall not exceed \$10,651,502.40

2. Invoicing and Payment

- A. Contractor shall invoice on a time-and-materials basis, with the total of all invoices not to exceed the amounts shown in Section 2, Budget Detail of this Exhibit.
- B. Contractor shall submit invoices in arrears either on a monthly or quarterly interval.
- C. For services satisfactorily rendered, and upon receipt and approval of the invoices, HCD agrees to compensate the Contractor the invoiced amount.
- D. Invoices must include this Agreement number and a Purchase Order number. The Purchase Order number will be provided at a later time by the Contract Manager. Handwritten Agreement number is not acceptable.
- E. Invoices Submission for Contracts Managed Through Grants Network:
 - 1) The vendor must set up an account in the Grants Network system at www.gn.ecivis.com. The program link will be provided after contract execution.
 - 2) Invoices shall be submitted through the vendor's Grant Network account and will include all supporting documentation as an upload in the Financial Report (reimbursement request).
 - 3) Supporting documentation must include:
 - Invoice summary which include:
 - a) The performance period,

EXHIBIT B

- b) Contract number,
 - c) Purchase order number,
 - d) Names of worker's being included in the invoice broken out by task line item. Their total hours by task must be clear.
 - e) The total amount being invoiced
- Official timesheets for every person (vendor staff and subcontractors) included on the invoice. The timesheet must clearly show the worker's name and hours worked for each day.
 - A clear crosswalk of deliverables/accomplishments for which time is being billed, with a narrative explaining what work was being done during the time being billed. Generally, this is shown as a grid with column headings such as: Date, Task, Employee, Description of Services and Hours.
 - The timesheets and the crosswalk must match staff, tasks, hours, costs and performance period being billed.

3. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the contract, this Agreement shall be of no further force and effect. In this event, HCD shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this contract, HCD shall have the option to either cancel this Agreement with no liability occurring to HCD or offer an agreement amendment to Contractor to reflect the reduced amount.

4. Prompt Payment Clause

Payment will be made in accordance with Chapter 4.5 (commencing with Section 927) of Part 3 of Division 3.6 of Title 1 of the Government Code.

EXHIBIT D

HCD ADDITIONAL CONTRACT TERMS

PERSONAL/CONSULTING SERVICES

1. Interpretation

In the interpretation of this Agreement, any inconsistencies between the State of California General Terms and Conditions (GTC - 04/2017) and the terms of this Agreement and exhibits or attachments shall be resolved in favor of the GTC – 04/2017.

2. Publications and Reports

- A. Unless otherwise provided for in this Agreement, Contractor shall:
- 1) Incorporate any comments or revisions required by HCD into any publication or report and shall not publish any material until it receives final written HCD approval from the Contract Manager.
 - 2) Furnish one copy of each publication and report required plus one reproducible original. Any publication or report produced in PDF must be supplied to HCD in an unlocked, Word or Excel format.
- B. Illustrations, maps and graphs in summaries and publications and reports shall be developed in a manner which allows the complete illustration to be contained on a single 8-1/2 by 11 page unless specific written approval is given to the contrary.
- C. Graphs, illustrations and printed materials shall be printed in a single color throughout each publication unless prior written HCD approval is granted.
- D. Contractor's name shall appear only on the cover and title page of publications and reports and summaries. Covers and title pages will read as follows:

**DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
TITLE OF PUBLICATION
BY (CONTRACTOR)**

- E. HCD retains ownership of and reserves the right to use and reproduce all publications and reports and data produced and delivered pursuant to this Agreement.
- F. If the publication and/or report are prepared by nonemployees of HCD, it shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of the report in a separate section of the report (Government Code Section 7550).

EXHIBIT D

3. **Progress Reports**

Except as otherwise specified, in writing, by HCD, Contractor shall provide a progress report in writing once a month. This progress report shall include, but not be limited to, a statement that the Contractor is or is not on schedule, any pertinent reports or interim findings, and an opportunity to discuss any difficulties or special problems so that remedies can be developed as soon as possible.

4. **Presentation**

Upon HCD's request, Contractor shall meet with HCD to present any findings, conclusions and recommendations required per this Agreement.

5. **Report Delivery**

All reports, or other communications except invoices, are to be delivered to the Contract Manager, as outlined in Exhibit A.3.

6. **HCD Staff**

HCD staff shall be permitted to work side by side with Contractor's staff to the extent and under conditions that may be directed by the Contract Manager. In this regard, HCD staff will be given access to all data, working papers, etc., which Contractor may seek to utilize.

7. **Confidentiality of Data and Documents**

- A. Contractor will not disclose data or documents or disseminate the contents of the final or any preliminary report without the express prior written permission of the Contract Manager.
- B. Permission to disclose information or documents on one occasion, or public hearings held by HCD relating to the same, shall not authorize Contractor to further disclose such information or documents on any other occasion.
- C. Contractor will not comment publicly to the press or any other media regarding its data or documents, or HCD's actions on the same, except to HCD staff, Contractor's own personnel involved in the performance of this Agreement, or at a public hearing, or in response to questions from a legislative committee.
- D. If requested by HCD, the Contractor shall require each of its employees or officers, who will be involved in the performance of this Agreement, to agree, in writing, to the above terms in an HCD approved form. Contractor shall supply HCD with evidence of the employee or officer's signature on the HCD form.

EXHIBIT D

- E. To the extent that HCD has approved the use of subcontractors in this Agreement, Contractor shall include in its agreements with each approved subcontractor the foregoing provisions related to the confidentiality of data and the non-disclosure of the same.
- F. Contractor may, at its own expense, and upon written approval by the HCD Contract Manager, publish or utilize, 90 days after any data or document submittal to HCD per this Agreement has become a part of the public record and shall include the following legend:

Legal Notice

This report was prepared as an account of work sponsored by HCD but does not necessarily represent the views of HCD or any of its employees except to the extent, if any, that it has formally been approved by HCD. For information regarding any such action, communicate directly with HCD at P.O. Box 952050, Sacramento, California, 94252-2050. Neither HCD nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document, nor does any party represent that use of the data contained herein would not infringe upon privately owned rights.

8. Provisions Relating to Data

- A. "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may be, for example, document research, experimental, developmental or engineering work; or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical modes, collections, extrapolations of data or information, etc. It may be in machine form, punched cards, magnetic tape, computer printouts, or retained in computer memory.
- B. "Proprietary data" is such data as the Contractor has identified in a satisfactory manner as being under Contractor's control prior to commencement of performance of this Agreement and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Agreement is commenced.
- C. "Generated data" is that data which the Contractor has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by the Contractor in the performance of this Agreement at HCD's expense, together with complete documentation thereof, shall be treated in the same manner as generated data.

EXHIBIT D

- D. "Deliverable data" is that data which under terms of this Agreement is required to be delivered to HCD, in accordance with the terms of this Agreement. Such data shall be the property of HCD.
- E. "Generated data" shall be the property of HCD unless and only to the extent that it is specifically provided otherwise herein.
- F. As to generated data which is reserved to the Contractor by express terms and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, Contractor shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at Contractor's own expense for a period of not less than three years after acknowledged receipt by HCD of the final report or termination of this Agreement and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Agreement, whichever is later.
- G. Prior to the expiration of such time and before changing the form of or destroying any such data, Contractor shall notify HCD, in writing, of any such contemplated action. HCD may within 30 days after said notification determine whether it desires said data to be further preserved and, if HCD elects, the expense of further preserving said data shall be paid for by HCD. Contractor agrees HCD shall have unrestricted reasonable access to the same during said three-year period and throughout the time during which said data is preserved in accordance with this Agreement, and Contractor agrees to use best efforts to furnish competent witnesses or identify such competent witnesses to testify in any court of law regarding said data.

9. Amendments

Amendments to this Agreement are allowed and shall follow the rules and guidelines outlined in the current State Contracting Manual (SCM) Vol 1, including but not limited to the following:

- A. The time for performance of the tasks and items within the budget may be changed with prior written approval of the Contract Manager. However, the term of this Agreement or contract amount may only be changed by formal amendment.
- B. HCD reserves the right to amend this Agreement at any time during this Agreement term, should it become necessary to complete the agreed upon Work outlined in the Original Agreement and upon approval by HCD/DGS.
- C. Dollar amount and timeframe shall be determined based on the procurement method used.

EXHIBIT D

10. Approval of Product

Each product to be approved under this Agreement shall be approved by the Contract Manager. HCD's determination as to satisfactory work shall be final absent fraud, mistake or arbitrariness.

11. Substitutions

Contractor's key personnel as indicated in its proposal may not be substituted without the Contract Manager's prior written approval. Notice to either party may be given by email as provided in Exhibit A.3. Such notice shall be effective when received as indicated on email. Alternatively, notice may be given by personal delivery by any means whatsoever to the party and such notice shall be deemed effective when delivered.

12. Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. Failure of HCD to enforce at any time the provisions of this Agreement, or require at any time performance by Contractor of any provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of HCD to enforce said provisions.

13. Merger Clause

This statement of the agreement between the parties hereto constitutes the complete, exclusive, and fully integrated statement of their agreement in connection with the subject matter of this Agreement. As such, this Agreement supersedes all prior and contemporaneous discussions and understandings between the parties and is the sole expression of their agreement.

14. Captions

The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

EXHIBIT D

15. **Public Hearings**

If public hearings on the subject matter dealt with in this Agreement are held within one year from this Agreement's expiration date, the Contractor shall make available to testify the personnel assigned to this Agreement at the hourly rates specified in the Contractor's proposed budget. HCD will reimburse Contractor for travel of said personnel at the contract rates for such testimony, as may be requested by HCD.

16. **Force Majeure**

"Force Majeure" is an unforeseeable event outside of a party's reasonable control which prevents or delays performance of that party's obligations under this Agreement. Such event does not include the normal risks a party assumes when it enters a contract. A Force Majeure event is a natural disaster such as an earthquake, flood, hurricane, pandemic, an Act of God, act of war, act of public enemies of this state or of the United States, or other similar event.

Force Majeure also includes actions or measures taken by any governmental authority, including executive orders, public health orders, other governmental orders, laws, regulations, or other government actions taken in response to a "Force Majeure" event, such as a quarantine or other restriction which prevents or delays the performance of a party's obligations under this Agreement.

The party asserting "Force Majeure" must give written notice to the other party to this Agreement within ten (10) days of the occurrence of the asserted Force Majeure event, with such notice to be given in accordance with the notice provisions of this Agreement. Such notice must include a description of the Force Majeure event, how said event has prevented or delayed the party's ability to perform its obligations under this Agreement, a description of reasonable measures the asserting party proposes to take to resume performance of its obligations under this Agreement, and a date by which the party anticipates it will resume performance of its obligations.

17. **Permits and Licenses**

Contractor shall procure and keep in full force and effect during the term of this Agreement all permits, registrations and licenses necessary to accomplish the work specified in this Agreement and give all notices necessary and incident to the lawful prosecution of the work. Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing Federal, State, and local laws, and rules and regulations made pursuant to said Federal, State, and local laws, which in any way affect the conduct of the work of this Agreement. If any conflict arises between provisions of the plans and specifications and any such law above referred to, then the Contractor shall immediately notify HCD in writing.

EXHIBIT D

18. Litigation

HCD, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against HCD or its officers or employees for which the Contractor must provide indemnification (refer to GTC-04/2017) under this Agreement. To the extent permitted by law, HCD shall authorize the Contractor or its insurer to defend such claims, suits, or actions and shall provide it or its insurer, at the Contractor's expense, information and assistance both necessary and available for such defense. The failure of HCD to give such notice, information, authorization or assistance, shall not relieve the Contractor of its indemnification obligations.

The Contractor shall immediately notify HCD of any claim or action against it, which affects or may affect this Agreement, the terms and conditions hereunder, or HCD, and shall take such action with respect to said claim or action which is consistent with the terms of this Agreement and the interest of HCD.

19. Insurance Requirements

A. The Contractor shall not commence performance, on-site at any HCD property, under this Agreement until the Contractor has provided HCD with a certificate of insurance stating that there is liability insurance presently in effect for the Contractor with a Combined Single Limit (CSL) of not less than \$1M per occurrence and the following:

- 1) Commercial General Liability: \$1M per occurrence bodily injury, property damage and products and completed operations, \$2M general aggregate.

The certificate holder should be:

California Department of Housing and Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

- 2) Description of Operations should read:

The certificate of insurance must include the following provision: *The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for HCD under this contract.*

- 3) The Contractor shall provide written notice to HCD within two (2) business days of any cancellation, non-renewal, or material change that affects required insurance coverage.

EXHIBIT D

- 4) Contractor must maintain Worker's Compensation insurance for all employees that are participating in the work contemplated by this Agreement.

20. Severability

If any provision of this Agreement is held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this Agreement and remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are and shall be deemed to be severable.

21. Disputes

- A. Except as otherwise provided in this Agreement, any dispute arising under or relating to the performance of this Agreement, which is not disposed of by mutual agreement of all parties shall be decided via a two-tier resolution process. First, the parties with a dispute will present their dispute documentation to the Contract Manager for review and resolution. If the dispute cannot be resolved by the Contract Manager, then it will be presented to HCD's Deputy Director or designated Executive staff. The decision of the Deputy Director/Executive staff shall be final, conclusive and binding on both parties.
- B. Contractor shall continue to perform its obligations under this Agreement during any dispute, unless HCD directs otherwise.
- C. In the event of any litigation, proceeding or dispute arising out of this Agreement or the need to interpret any language or provision of this Agreement, California law will apply and California courts will decide all such matters as the exclusive forum for such matters.

22. Suspension or Termination

- A. Suspension of Work:

The Director or Acting Director of HCD, or his/her designee, by written order may suspend the work of the Contractor, or any portion thereof, for any period up to ninety (90) days, as the Director or his/his designee may deem necessary and for any reason. Any equitable adjustment shall be made in the delivery schedule or contract price, or both, and this Agreement shall be modified in writing accordingly if the stop work order results in an increase in the time required for, or in the Contractor's cost properly allowable to, the performance of any part of this Agreement. In any event, the final total of additional payments shall not exceed the sum provided for in this Agreement unless this Agreement is amended in writing in advance.

EXHIBIT D

B. Termination at Option of State:

This Agreement may be terminated at any time, in whole or in part, upon ten (10) calendar day's written notice by HCD, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise.

In the event HCD terminates all or a portion of this Agreement for any reason, it is understood that HCD will provide payment to Contractor for satisfactory services rendered and reasonable expenses incurred prior to the termination of this Agreement, and for reasonable expenses incurred by the Contractor prior to said termination, which are not included in charges for services rendered prior to termination, and which could not by reasonable efforts of Contractor have been avoided, but not in excess of the maximum contract amount.

C. Termination for Default:

The Director or his/her designee may, by three-day written notice to the Contractor, and without any prejudice to HCD's other rights or remedies, terminate this Agreement in whole or in part because of the failure of the Contractor to fulfill its contract obligations. Upon receipt of any notice terminating this Agreement in whole or in part, the Contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise); and (2) deliver to HCD's Contract Manager all data, reports, summaries, and such other information and materials as may have been accumulated or generated by the Contractor in performing under this Agreement, whether completed or in progress. In such an event, HCD shall pay the Contractor only the reasonable values of the services rendered to date. At the sole discretion of HCD, HCD may offer an opportunity to cure any breach(es) prior to terminating for a breach.

D. Termination Due to Bankruptcy:

In the event proceedings in bankruptcy are commenced by or against the Contractor, or the Contractor is adjudged bankrupt or a receiver is appointed, the Contractor shall notify HCD immediately in writing and HCD may terminate this Agreement and all further rights and obligations by giving three (3) days' notice in writing in the manner specified herein.

E. Convenience:

If after notice of termination for failure to fulfill contract obligations, it is determined that the Contractor had not so failed, the termination shall be deemed to have been made for the convenience of HCD.

EXHIBIT D

F. Cumulative Remedies:

The rights and remedies of HCD provided in this Agreement are in addition to any other rights and remedies provided by law.

G. Completion:

In the event of termination for default, HCD reserves the right to take over and complete the work by contract or other means. In such case, Contractor is liable to HCD for any additional costs incurred by HCD to complete the work.

23. Public Contract Code

The Contractor is advised that provisions of Public Contract Code Sections 10335 through 10381 pertaining to the duties, obligations and rights of a consultant service contractor are applicable to this Agreement.

24. Evaluation of Contractor's Performance (STD 4 - Contract/Contractor Evaluation)

The Contractor's performance under this Agreement will be evaluated by HCD upon completion of this Agreement. A copy of the written evaluation will be maintained in this Agreement's contract file and may be submitted to the Department of General Services, Office of Legal Services.

25. Priority Hiring Considerations for Contracts Exceeding \$200,000.00

If this Agreement includes services in excess of \$200,000.00, the Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200, in accordance with Public Contract Code §10353.

26. Potential Subcontractors

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relation between HCD and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be fully responsible to HCD for the acts and omissions of its subcontractors and persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor.
- B. No work shall be subcontracted without the prior written approval of HCD. Upon the termination of any subcontract, HCD shall be notified immediately. Any subcontract shall include all the relevant terms and conditions of this Agreement and its attachments in addition to any other relevant terms and conditions.

EXHIBIT D

- C. Contractor's obligation to pay its subcontractors is an independent obligation from HCD's obligation to make payments to the Contractor. As a result, HCD shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.
- D. When subcontractors are used, HCD will pay the Contractor who, in turn, will be responsible for paying the subcontractor directly. Subcontractor fees and costs are included in the "total" price of this Agreement.
- E. If subcontractor(s) fails to execute a portion of the work in a satisfactory manner, the Contractor shall immediately remove the subcontractor, upon written request from the Contract Manager. Said subcontractor may not be employed for another portion of this Agreement. The Contract Manager will not entertain requests to arbitrate disputes between the Contractor and subcontractor concerning performance of their contract duties.
- F. Contractor shall not substitute a subcontractor in place of another without prior notification and written approval from the Contract Manager. All requests to substitute a subcontractor must be submitted in writing to the Contract Manager, along with documentation to support the substitution.

27. Disabled Veteran Business Enterprises (DVBE)

If required in the Bid package and subsequent agreement, Contractor shall comply with the DVBE participation goal, in accordance with the provisions of Public Contract Code §10115 et seq.

28. Conflict of Interest Clause

A. Purpose

The purpose of this clause is to ensure that the Contractor (1) is not biased, or in any way appear to be biased, in the performance of its duties under this Agreement due to any financial, contractual, organizational, or other interests or relationships relating to the nature of the work it is performing under this Agreement, (2) does not receive any improper gain or financial or other benefits as a result of performing the work required by this Agreement, and (3) does not obtain any unfair competitive advantage over other parties by virtue of its performance of this Agreement.

B. Conflicts of Interest

Contractor represents, warrants, and covenants to HCD as follows:

EXHIBIT D

- 1) **No Current or Prior Conflicts of Interest.** Contractor has no business, professional, personal, or other interests or relationships, including but not limited to, the representation of current or prior clients, that would conflict in any manner or degree with the performance of Contractor's obligations under this Agreement.
- 2) **Prohibition on Conflicts.** Neither the Contractor, nor its staff or agents, will engage in conduct that would constitute a conflict of interest, whether actual, potential, or perceived, during the term of this Agreement.
- 3) **Notice of Conflict.** If any actual or potential conflict of interest arises under this Agreement, Contractor shall immediately inform HCD in writing of such conflict and HCD shall be entitled to exercise its rights and remedies under subsection (4) below.
- 4) **Termination for Material Conflict.** If in the sole and absolute discretion of HCD a material conflict of interest exists that in HCD's opinion would negatively impact or call into question the performance of Contractor's duties under this Agreement, or that would give rise to the appearance of a material conflict of interest on the part of Contractor, HCD may elect to terminate this Agreement upon written notice to Contractor. Such termination shall be effective upon the receipt of such notice by Contractor.

EXHIBIT E
CDBG-DR TERMS AND CONDITIONS

1. Required Insurance Certificates

- A. Prior to executing this Agreement, the Contractor shall provide the Department with current insurance coverage certificates evidencing the following types of insurance as required by Federal and California regulations and outlined in Exhibit D:
- Worker's compensation insurance
- B. Insurance shall be in force during the entire term of this Agreement, shall be the Contractor's sole cost, and shall be in such amounts as the Department deems necessary.

2. Required Dun and Bradstreet DUNS Number

Prior to executing the Agreement, Contractor shall provide Contract Manager with the current DUNS number for their company and any subcontractors. HUD requires all grantees, state recipients, subrecipients and contractors to provide DUNS numbers for their agency.

3. Debarment and Suspension

Per Executive Orders 12549 and 12689 and 2 CFR 180.220, a contract award must not be made to parties listed on the government wide exclusion System for Award Management (SAM). Prior to award of any contracts or subcontracts under this Agreement, contractors and subcontractors will have their debarred status checked on the government wide exclusions in the SAM.

4. Required Federal Language from 2 CFR Part 200 Appendix II

The Department is required to have this language in all CDBG-DR agreements. The Department is also requiring all other state agencies, state recipients and subrecipients who are using CDBG-DR funding to have this language in their agreements.

- A. Remedies: Contracts for more than the simplified acquisition threshold (currently \$150,000) must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanction and penalties as appropriate.
- B. Termination for Cause and Convenience:
- C. Non-Discrimination Language from 41 CFR Part 60-1.4(b):

Contractor shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).

D. Clean Air Act and the Federal Water Pollution Control Act:

This Agreement is subject to the requirements of the Clean Air Act (42 USC7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended. Any contracts or subgrants made under this agreement, in excess of \$150,000 must contain this provision. Contractor agrees to comply with all applicable standards, orders or regulations issues pursuant to the Clean Air Act and the Federal Water Pollution Control Act. Any violations of this act will be reported to the Department of Housing and Urban Development and the Regional Office of the Environmental Protection Agency (EPA).

E. Byrd Anti-Lobbying Amendment

Per the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) -- All contractors that apply or bid for an award exceeding \$100,000 must file the required certification. The Contractor must certify that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other contract award covered by the above referenced Amendment. The Contractor must also disclose any lobbying with non-Federal fund that take place in connection with obtaining any Federal award.

F. Procurement of Recovered Materials

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

G. Rights to Inventions Made Under a Contract or Agreement

If a Federal award meets the definition of “funding agreement” under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of recipient or subrecipient must comply with requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulation issued by the awarding agency.

5. **Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or Other Public Officials**

Pursuant to 24 CFR 570.489(g) and (h), 2 CFR Part 570, and 24 CFR 85.36(b)(3), no member, officer, or employee of the Jurisdiction, or its designees or agents, no member of the Governing Body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, 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 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 its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The jurisdiction shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section. It is further required that this stipulation be included in all subcontracts to this contract.

6. **Conflict of Interest of Certain Federal Officials**

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

7. **Compliance with State and Federal Laws and Regulations**

The Contractor is responsible for compliance with all applicable Federal and State laws and regulations, Executive Orders, Federal Register Notices, and regulations, guidelines, and policies and procedures of the CDBG-DR program.

A. The Contractor agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the contractor, its subcontractors, and any other State provisions as set forth in this Agreement.

- B. The Contractor agrees to comply with all federal laws and regulations applicable to the CDBG-DR appropriation and to the activity(ies), and with any other federal provisions as set forth in this Agreement.

8. Access to Records and Record Retention

Access by HCD or other state agency or sub-grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the Contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

All records must be retained by the Contractor for no less than three years after receiving final payment from HCD and all other pending matters are closed.

9. Energy Policy and Conservation Act

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

10. Administrative and National Policy Requirements

Certain Administrative and National Policy Requirements apply to all HUD programs; see the CDBG-DR related Federal Register Notices on HUD's website. Any party involved in the CDBG-DR grant work whether directly or indirectly, must agree to provide any information HCD requires in order to meet the aforementioned administrative and national policy requirements.

11. Use of Funds

The Appropriations Act made funds available for necessary expenses related to disaster relief and long-term recovery, recovery of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) (Stafford Act), due to wildfires, mudslides and flooding in 2017 and wildfires in 2018. The Appropriations Act requires funds to be used only for specific disaster-related activities and administration of those activities.

12. Applicable Statutory and Regulatory Requirements

- A. All recipients of CDBG-DR grants are subject to the following, as the same may be amended from time to time: (1) the requirements of the applicable Appropriations Act; (2) all applicable Federal Register Notices; and (3) applicable regulations governing the CDBG program at 24 CFR part 570,

as they may be modified by waivers and alternative requirements published by HUD or other applicable Federal Register Notices.