



Department of Community and Human Services  
 Community Services Division  
 Housing and Community Development Section  
 206-263-9097 TTY Relay: 711

**KING COUNTY HOUSING AND COMMUNITY DEVELOPMENT JOINT AGREEMENT CITY  
 CONTRACT— 2014**

Contractor	<u>City of Redmond</u>		
Project Title	<u>Redmond CDBG Interlocal Cooperation Agreement</u>		
Contract Amount \$	<u>50,368</u>		
Contract Start Date:	<u>01/01/2014</u>	Contract End Date	<u>12/31/2014</u>
Termination Date (where applicable):	<u>12/31/2014</u>		
DUNS No. (if applicable)	<u>022829899</u>	SAM No. (if applicable)	<u>4EPL9</u>
Federal Taxpayer ID No.	<u>91-6001492</u>		

THIS CONTRACT No. 5677428 is entered into by KING COUNTY, a political subdivision of the State of Washington (the "County"), and the City of Redmond, a Washington municipal corporation (the "Contractor"), whose address is 15670 NE 85<sup>th</sup>, Redmond, WA 98052. Use of the term "Contractor" in this Contract is for ease of reference only and in no respect signifies that the party is a "Contractor" as described in 24 CFR §92.504(c)(4).

WHEREAS, the County is an Urban County recipient of Community Development Block Grant Program (CDBG) funds under the Housing and Community Development Act of 1974, Public Law 93-383 as amended (HCD Act); HOME Investment Partnership Program (HOME) funds under the National Affordable Housing Act of 1990 Public Law 101-625 as amended (NAHA). The County uses CDBG, and HOME funds for the purpose of carrying out eligible community development and housing activities under the HCD Act, NAHA, regulations promulgated by the U.S. Department of Housing and Urban Development (HUD) at 24 Code of Federal Regulations (CFR) Part 570, 24 CFR Part 92, 24 CFR Part 576, and adopted County Ordinances. (All CFR references can be found at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>. All King County code references can be found at [http://www.kingcounty.gov/council/legislation/kc\\_code.aspx](http://www.kingcounty.gov/council/legislation/kc_code.aspx));

WHEREAS, an Urban County CDBG Consortium has been established by CDBG Interlocal Cooperation Agreements (CDBG ICAs) or joint agreements between the County and certain municipal corporations (Consortium Cities) within the County covering program years 2012-2014. The CDBG ICAs specify allocation of CDBG funds by the County to those participating jurisdictions for use in accordance with the County Consolidated Housing and Community Development Plan (HCD Plan). The HCD Plan has been adopted by the King County Council, accepted by participating jurisdictions and approved by HUD;

WHEREAS, a HOME Consortium has been established by HOME ICAs between the County and certain HOME Consortium Cities covering 2012-2014, the terms of which specify allocation of HOME funds by the County for use in accordance with the HCD Plan which has been adopted by the King County Council, accepted by participating jurisdictions and approved by HUD;

WHEREAS, the County desires to award certain funds to the Contractor for use as described in this Contract and as authorized by County ordinance, for the purpose of implementing eligible activities as

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 with disabilities.**

applicable under the HCD Act, NAHA, HUD regulations, State laws and/or adopted County ordinances;

WHEREAS, it is appropriate and mutually desirable that the Contractor be designated by the County to undertake such eligible activities, so long as the requirements of the HCD Act, NAHA, HUD Regulations, State law and County ordinances are adhered to, as provided for herein;

WHEREAS, the purpose of this Contract is to provide for cooperation between the County and the Contractor, as the parties in this Contract, in implementing such eligible activities under the laws and regulations that pertain to the funds awarded in this Contract;

WHEREAS, the parties are authorized and empowered to enter into this Contract by one or more of the following: County ordinance, the HCD Act, NAHA, Revised Code of Washington (RCW) Chapter 39.34, RCW Chapter 35.21.730 et seq., by the Constitution and the enabling laws of the State of Washington;

NOW, THEREFORE, for and in consideration of payments, covenants, and agreements hereinafter mentioned, to be made and performed by the parties hereto, the parties mutually covenant and agree to abide by the provisions of this Contract.

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**EXHIBITS ATTACHED HERETO**

	Exhibit Name	Amount	Fund Source
I.	Certificate of Insurance/Endorsements		
II.	Redmond CDBG Program Administration - C14216	\$25,184	CDBG
III.	Redmond Congregation for Homeless Eastside Winter Shelter C14802	\$25,184	CDBG
	TOTAL	\$50,368	

## **I. SCOPE OF CONTRACT AND INCORPORATION OF EXHIBITS**

### **A. Scope**

The Contract between the parties shall consist of the signature page, each Program/Project Exhibit incorporated into the Contract, all matters and laws incorporated by reference herein, and any written amendments made in accordance with the provisions contained herein. The exhibits attached to this Contract as Exhibits I. through III. are hereby incorporated by this reference. This Contract supersedes any and all former agreements regarding projects described in the attached Project/Program Exhibit(s). If there is a conflict between any of the language contained in this Contract and any of the language contained in any Project/Program Exhibit in this Contract, the language in this Contract shall control, unless the parties affirmatively agree to the contrary in a writing that has been reviewed and approved by the King County Prosecuting Attorney's Office. This Contract shall govern both:

1. Service Projects (human service, planning, program administration and micro-enterprise or supportive services for the homeless); and
2. Capital Projects (acquisition, improvement, and rehabilitation of real property and construction or reconstruction of public infrastructure).

The two types of activities may be included in one Contract as separate Project/Program Exhibit(s) of Services.

### **B. Mandatory Certifications and Municipal Exemptions from Contract Requirements**

The Contractor certifies that it shall comply with the provisions of Sections XX. Subcontracts and Purchases, XXIII. Board of Directors and XXXI. Miscellaneous Provisions of this Contract. If the Contractor is a municipal corporation (other than King County), King County Code (KCC) chapters 12.16, 12.17, 12.18 and 12.19 do not apply to the Contractor but may apply to any subcontractor of the Contractor.

### **C. Contact Person**

King County and the Contractor shall each designate a contact person for each Project/Program Exhibit incorporated in this Contract. All correspondence, reports and invoices shall be directed to the designated contact person. This provision does not, however, supplant or override Section XXVII. Notices.

### **D. Federal Funds**

The term "federal funds" as used herein means CDBG funds and/or HOME funds. The specific types of funds provided under this Contract are specified in the attached Project/Program Exhibit(s).

### **E. Environmental Review**

This section applies to all projects using federal funds that are not exempt under 24 CFR Part 58. Notwithstanding any provision of this Contract, the parties hereto agree and acknowledge that this Contract does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt of a release of funds, if applicable, from HUD under 24 CFR Part 58. The parties further agree that the

provision of any funds to the project is conditioned upon King County's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. The Contractor shall not spend any funds on physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. Violation of this provision shall result in the denial of any funds under this Contract.

Capital Projects using federal funds shall also comply with subsections F, G, H and I.

F. Environmental Policy Act

The County retains environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act as implemented by HUD Environmental Review Procedures (24 CFR Part 58) and the Federal laws and authorities identified therein. The Contractor shall be solely responsible for the cost of compliance with all such Federal laws and authorities including the cost of preparing plans, studies, reports and the publication of notices that may be required. The Contractor and its subcontractors shall not take any actions inconsistent with 24 CFR Part 58.

G. National Flood Insurance

The use of CDBG and HOME funds for acquisition or construction purposes in identified special flood hazard areas shall be subject to Contractor mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973 (Pub L. 93-237).

H. Lead Based Paint

The Contractor shall comply with the Lead-Based Paint Poisoning Prevention Act (42 United States Code (USC) 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, and R. Generally, these laws prohibit the use of lead-based paint (whenever funds under this Contract are used directly or indirectly for construction, rehabilitation or modernization of residential structures); require elimination of immediate lead-based paint hazards in residential structures; and require notification of the hazards of lead-based paint poisoning to purchasers and tenants of residential structures constructed prior to 1978.

I. Environmental Justice

The Contractor shall comply with Presidential Executive Order 12898 requiring identification and mitigation, as appropriate, of disproportionately high and adverse human health or environmental impacts of programs, policies and activities on minority and/or low-income populations.

J. Subrecipient Monitoring

1. First-tier subrecipients shall register in the Central Contractor Registration (CCR), including obtaining a Dun and Bradstreet Data Universal numbering System (DUNS) number and maintain the currency of that information. A pass through entity shall be responsible for determining that subrecipients have current CCR registrations prior to making subawards and performing periodic checks to ensure that the subrecipients are updating information as necessary.

2. Recipients shall require each subrecipient to;
  - a. Document at the time of the subaward and disbursement of funds, the Federal award number, Catalog of Federal Domestic Assistance (CFDA) number; and
  - b. Provide similar identification in their Schedule of Expenditures of Federal Awards (SEFA) and Form SF-SAC. Additional information, including presentation requirements for the SEFA and SF-SAC, is provided in Appendix VII of the 2009 Supplement (2CFR Section 176.210).

**II. DURATION OF CONTRACT**

The terms of this Contract shall be in effect from the Start Date (as defined in the Project/Program Exhibit(s)) or the date of execution of this Contract, whichever is earlier, and shall terminate on the Termination Date specified in each Project/Program Exhibit, unless extended to a later date or terminated earlier, pursuant to the terms and conditions of the Contract.

**III. TERM OF COMPLIANCE FOR CAPITAL PROJECTS**

The Contractor shall own and operate the project during the compliance period as defined in the Program/Project Exhibit.

**IV. FUTURE SUPPORT**

The County makes no commitment to support the services contracted for herein and assumes no obligation for future support of the activity contracted herein except as expressly set forth in this Contract

**V. COMPENSATION AND METHOD OF PAYMENT**

The County shall reimburse the Contractor only for the approved activities specified in each Project/Program Exhibit and the reimbursement amount shall not exceed the amount specified in each Project/Program Exhibit. Reimbursements will be payable in the following manner.

**A. Start Date and End Date**

Start Dates and End Dates for individual projects shall be specified in each Project/Program Exhibit. Costs incurred before the Start Date will not be reimbursed. Costs incurred after the End Date will not be reimbursed.

**B. Submission of Invoices, Supporting Documentation and Reports**

The Contractor shall submit an invoice, supporting documentation for costs claimed in the invoice and all reports as specified in each Project/Program Exhibit or the County may not process the invoice. Supporting documentation for costs claimed in the invoice includes, but is not limited to, purchase orders and bills. The County shall initiate authorization for payment to the Contractor not more than 30 days following the County's approval of a complete and correct invoice, supporting documentation and reports.

C. Final Invoice for Service Projects

The Contractor shall submit its final invoice for each Project/Program Exhibit providing funding for Service Projects within seven business days after the End Date. The Contractor shall submit all outstanding reports for each Project/Program Exhibit providing funding for Service Projects within 30 business days after the End Date.

If the Contractor's final invoices, supporting documentation, and reports are not submitted by the date specified in this subsection, the County shall be relieved of all liability for payment to the Contractor of the amounts set forth in said invoice or any subsequent invoice; provided, however, the County may elect to pay any invoice that is not submitted in a timely manner.

D. Final Invoice for Capital Projects

Unless provided otherwise in the Project/Program Exhibit(s), the Contractor shall submit its final invoice, supporting documentation, and all outstanding reports for each Project/Program Exhibit providing funding for Capital Projects before the End Date specified in the Project/Program Exhibit(s).

If the Contractor's final invoices, supporting documentation, and reports are not submitted by the date specified in this subsection, the County shall be relieved of all liability for payment to the Contractor of the amounts set forth in said invoice or any subsequent invoice; provided, however, the County may elect to pay any invoice that is not submitted in a timely manner.

E. Unspent County Funds

1. After the End Date specified in each Project/Program Exhibit, for individual projects covered by this Contract, the County shall recapture any unexpended funds encumbered under this Contract.
2. During the term of the Contract, the County may, upon mutual agreement, recapture any unexpended funds for reallocation to other Project/Program activities.

Projects using federal funds shall also comply with the following subsections F, G, H and I.

F. Municipal Corporations or State Public Agencies

If the Contractor is a municipal corporation or an Agency of the State of Washington, costs for which the Contractor requests reimbursement shall comply with the policies, guidelines, and requirements of 2 CFR Part 225, "Cost Principles For State, Local and Indian Tribal Governments" and the sections of 24 CFR Part 85 "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" identified at 102 and 24 CFR § 570.502(a) Applicability of Uniform Administrative Requirements, unless otherwise provided in the Project/Program Exhibit(s).

G. Not-for-profit Corporations

If the Contractor is a not-for-profit corporation, costs for which the Contractor requests reimbursement shall comply with, unless otherwise provided in the Project/Program Exhibit(s), the policies, guidelines and requirements of 2 CFR Part 230, "Cost Principles for Non-Profit Organizations," and the sections of 24 CFR Part 84, Uniform

Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, identified at 2 CFR Part 215 and 24 CFR § 570.502 (b), Applicability of Uniform Administrative Requirements.

H. Excess Federal Funds

CDBG and/or HOME funds on hand shall not exceed \$5,000 if retained beyond three days unless written approval is received from the County. Any reimbursement in excess of the amount required shall be promptly returned to the County.

I. Program Income

The Contractor shall report all CDBG and HOME Program Income, as defined in 24 CFR § 92.2, 92.503 and 570.504(c) and in the ICAs, generated under this Contract for the purposes specified herein or generated through the project(s) funded under this Contract. Program Income is to be reported to the County. Program income shall be returned to the County unless the County specifies that it may be retained by the Contractor. If the County authorizes the Contractor to retain the Program Income to continue or benefit a project(s), the Contractor shall comply with all provisions of this Contract in expending the funds. This duty to repay the County shall not be diminished or extinguished by the prior termination of the Contract pursuant to Section II. Duration of Contract or Section XV. Termination.

**VI. BUDGET**

The Contractor shall apply the funds received from the County under this Contract in accordance with each Project/Program Exhibit including a line item budget, if applicable, set forth in each Project/Program Exhibit. The Contractor shall request in writing prior approval from the County to revise the line item budget when the cumulative amount of transfers from a line item in any Project/Program Exhibit is expected to exceed ten percent of that line item. Supporting documents are necessary to fully explain the nature and purpose of the revision, and must accompany each request. All budget revision requests in excess of ten percent of a line item amount shall be reviewed and approved or denied by the County in writing.

**VII. EQUIPMENT PURCHASE, MAINTENANCE, AND OWNERSHIP**

A. Equipment Purchase

The Contractor agrees that equipment purchased with Contract funds at a cost of \$5,000 per item or more and identified in an exhibit as reimbursable, is upon its purchase or receipt, the property of the Contractor, County, and/or federal, and/or state government, as specified in the exhibit.

B. Maintenance of Equipment

The Contractor shall be responsible for all such equipment, including the proper care and maintenance.

C. Equipment Returned

The Contractor shall ensure that all such equipment shall be returned to the appropriate government Contractor, whether federal, state or county, upon written request of the County.

D. Right of Access

The Contractor shall admit the County's Property Management Officer to the Contractor's premises for the purpose of marking such property with appropriate government property tags.

E. Maintenance of Records

The Contractor shall establish and maintain inventory records and transaction documents (purchase requisitions, packing slips, invoices, receipts) of equipment purchased with Contract identified funds.

F. Disposition of Equipment

Projects using federal funds shall also comply with the following requirement. If the Contractor ceases to use equipment purchased in whole or in part with CDBG funds for the purpose described in this Contract, or if the Contractor wishes to dispose of such equipment, the disposition shall be determined under the provisions of 24 CFR § 570.502(b)(3)(vi), if the Contractor is a nonprofit corporation and 24 CFR § 570.502(a) and 24 CFR § 85.32(e) if the Contractor is a municipal corporation or an agency of the state of Washington. The Contractor agrees that it will contact the County for instructions prior to disposing of, surplus, encumbering or transferring ownership of any equipment purchased in whole or in part with federal funds.

**VIII. CONTRACT AMENDMENTS**

Either party may request changes to this Contract. Proposed changes, which are mutually agreed upon, shall be incorporated by written amendments to this Contract. Budget revisions approved by the County pursuant to Section VI. Budget are not required to be incorporated by written amendment.

**IX. INTERNAL CONTROL, ACCOUNTING SYSTEMS AND AUDITS**

**Internal Control and Accounting**

The Contractor shall establish and maintain a system of accounting and internal controls that comply with applicable, generally accepted accounting principles and financial and governmental reporting standards as prescribed by the appropriate accounting standards board.

**Audits**

A. Not-for-Profit Corporations

1. This subsection A applies to any corporation, trust, association, cooperative or other organization that: (i) is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest; (ii) is not organized primarily for profit; and (iii) uses its net proceeds to maintain, improve or expand its operations.
2. The Contractor shall provide the County with a copy of its applicable IRS Form 990 (Return of Organization Exempt from Tax), IRS Form 1065 (Partnership tax return), or equivalent when requested.
3. The Contractor shall comply with the specific requirements for independent financial audits or alternative as follows:

- a. A Contractor receiving \$500,000 or more in direct or indirect federal funding from all sources during its fiscal year, including other forms of federal financial assistance shall have a single audit or program-specific audit conducted for that year. Such audit shall be done in accordance with the provisions of the Single Audit Act Amendments of 1996 as implemented through the Federal Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, as revised.
  - b. A Contractor receiving \$300,000 or more from all fund sources during its fiscal year that is not otherwise subject to the requirements of OMB Circular A-133 shall have a financial statement audit conducted for that year. Such audit shall be performed by an independent certified public accountant and conducted in accordance with the American Institute of Certified Public Accountants' (AICPA) generally accepted auditing standards.
  - c. A Contractor receiving less than \$300,000 from all fund sources during its fiscal year shall be required to complete a limited scope financial statement/internal control review as defined by the AICPA and according to AICPA standards. Any limited scope financial statement/internal control review shall be conducted in accordance with the AICPS's Statements on Standards for Attestation Engagements and shall be performed by an independent certified public accountant.
4. A Contractor that is not subject to OMB Circular A-133 may, in extraordinary circumstances, request a waiver of audit requirements and, with the review and upon approval of the County, substitute for the above requirements other forms of financial reporting or fiscal representation certified by the Contractor's Board of Directors.
- a. That financial statement audit and any associated management letter show no reportable conditions or internal control issues; and
  - b. There has been no turnover in key staff since the beginning of the period for which the audit was completed.

If the Contractor does not meet the qualifications in Section IX.4.a. and b., then the Contractor shall provide a financial statement audit.

5. The Contractor shall provide to the County a copy of the audit report, including any management letter or official correspondence submitted by the auditor, its response and corrective action plan for all findings and reportable conditions contained in its previous audit or any alternative documents required under Section IX. Internal Control, Accounting Systems and Audits Subsection A, 3. of this Contract. These documents shall be submitted no later than nine months subsequent to the end of the Contractor's fiscal year. This document may be submitted electronically or in hard copy.
6. If additional federal and/or state audit or review requirements are imposed on the County during the term of this Contract, the Contractor agrees this Contract may be amended to require that the Contractor comply with any such additional audit requirements. Even if this Contract is not amended, the Contractor agrees to comply with any such additional audit requirements.

7. If the Contractor receives a financial audit, including an A-133 audit, due to requirements other than stated herein, such audit shall be provided to the County within the time period identified in Section IX. Internal Control, Accounting Systems and Audits Subsection A. 4. even if not otherwise required under this section.

B. Municipal Corporations

If the Contractor is a municipal corporation in the state of Washington, it shall submit to the County a copy of its annual report of examination/audit, conducted by the Washington State Auditor, within 30 days of receipt, which submittal shall constitute compliance with Section IX. Internal Control, Accounting Systems and Audits.

C. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance (CFDA) number for the CDBG Program is 14.218. The CFDA number for the HOME program is 14.239. The CFDA number for Recovery Act Fund (CDBG-R) funds is 14.253. Additional federal and/or state audit or review requirements may be imposed on the County, and if the Contractor has CDBG, HOME or CDBG-R funds in the Contract, it shall be required to comply with these requirements.

X. **MAINTENANCE OF RECORDS**

A. Scope of Records

The Contractor shall maintain accounts and records, including personnel, property, financial, and programmatic records and other such records specified in each Project/Program Exhibit or otherwise deemed necessary by the County to ensure proper accounting for all Contract funds and compliance with this Contract.

B. Time for Retention of Records

Records required to be maintained in subsection A above shall be maintained for a period of six years after the termination date, unless a different period for records retention is specified in the Project/Program Exhibit.

C. Location of Records/Notice to County

The Contractor shall inform the County in writing of the location, if different from the Contractor address listed on page one of this Contract, of the aforesaid books, records, documents and other evidence within ten working days of any such relocation.

Projects using federal funds shall also comply with subsections D, E, F, G, H, I, J, K, L and M.

D. Federal Exceptions to Retention Requirements

Exceptions to the six year retention period are as follows: (1) Records that are the subject of audit findings, litigation, or claims shall be retained until such findings, litigation or claims have been resolved; and (2) The retention period for real property and equipment records starts from the date of the disposition, replacement or transfer at the direction of the County.

E. Financial Management Records

Financial records shall identify adequately the source and application of funds for activities within this Contract, in accordance with the provisions of 24 CFR § 85.20 and the OMB Circular A-87 for governmental agencies, 24 CFR § 84.21 and OMB Circular A-122 for Nonprofit Corporations. These records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income.

F. Tenant Notification and Relocation Records

If the Contractor is acquiring property with existing tenants, Contractor record keeping for tenant notification and relocation must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (The "Uniform Relocation Act"), and regulations at 49 CFR Part 24. Indication of the overall status of the relocation workload and a separate relocation record for each person, business, organization and farm operation displaced or in the relocation workload must be kept.

G. Acquisition Records

If the Contractor is using funds under this Contract for property acquisition, the Contractor must maintain a separate acquisition file for each acquisition process documenting compliance with Uniform Relocation Act regulations at 49 CFR Part 24, including a notice of voluntary sale.

H. Beneficiary Records

The Contractor agrees to maintain racial, ethnic, disability status, single head of household, household income, and gender data showing the extent to which these categories of persons have participated in, or benefited from, the activities carried out under this Contract if required in a Project/Program Exhibit.

I. Labor Standards

If the Contractor is using funds under this Contract for construction work, the Contractor shall maintain records documenting compliance by all construction contractors with the labor standards as required under 24 CFR § 570.603 for CDBG funds and 24 CFR § 92.354 for HOME funds.

J. Other Construction Records

The Contractor and all of its sub contractors shall maintain records and information necessary to document the level of utilization of state certified small, minority, and women-owned businesses, and other businesses as subcontractors and suppliers under this Contract. The Contractor shall also maintain all written quotes, bids, estimates or proposals submitted by the contractor and any and all businesses seeking to participate in this Contract. The Contractor shall make such documents available to the County for inspection and copying upon request.

K. Employment Records

If the Contractor is a municipal corporation or an Agency of the State of Washington, it agrees to maintain the following data for each of the Contractor's operating units funded in whole or in part with CDBG funds provided under this Contract:

1. Employment data with such data maintained in the categories prescribed on the Equal Employment Opportunity Commission's EEO-4 form; and
2. Documentation of any actions undertaken to assure equal employment opportunities to all persons regardless of race, color, national origin, sex or handicap.

L. Records Regarding Remedy of Past Discrimination

The Contractor shall maintain documentation of the affirmative action measures the Contractor has taken to overcome prior discrimination if a court or HUD has found that the Contractor has previously discriminated against persons on the grounds of race, color, national origin or sex in administering a program or activity funded in whole or in part with CDBG funds pursuant to 24 CFR Part 121.

M. Record-Keeping Requirements and Site Visits

The Contractor shall maintain, for at least six years after completion of all work under this Contract, the following:

1. Records of employment, employment advertisements, application forms, and other pertinent data and records related to the Contract for the purpose of monitoring, audit and investigation to determine compliance with any equal opportunity requirements set forth in any federal regulations, statutes or rules included or referenced in the Contract documents;
2. Records, including written quotes, bids, estimates or proposals submitted to the Contractor by all businesses seeking to participate on this Contract, and any other information necessary to document the actual use of and payments to subcontractors and suppliers in this Contract, including employment records.

The County may visit, at any time, the site of the work and the Contractor's office to review the foregoing records. The Contractor shall provide every assistance requested by the County during such visits. In all other respects, the Contractor shall make the foregoing records available to the County for inspection and copying upon request. If this Contract involves federal funds, the Contractor shall comply with all record keeping requirements set forth in any federal rules, regulations or statutes included or referenced in the contract documents.

**XI. EVALUATIONS AND INSPECTIONS**

A. Right of Access to Facilities for Inspection of Records

The Contractor shall provide right of access to its facilities, including those of any subcontractor, to the County, the state, and/or federal agencies or officials at all reasonable times in order to monitor and evaluate the activities funded under this Contract. The County shall give advance notice to the Contractor in the case of fiscal audits to be conducted by the County.

B. Time for Inspection and Retention

The records and documents with respect to all matters covered by this Contract shall be subject at all times to inspection, review, or audit by the County and/or federal/state officials so authorized by law during the performance of this Contract and six years after the termination date, unless a different period is specified in the Project/Program Exhibit or a longer retention period is required by law.

C. Agreement to Cooperate

The Contractor agrees to cooperate with the County or its agent in the evaluation of the Contractor's performance under this Contract and to make available all information reasonably required by any such evaluation process. The results and records of said evaluations shall be maintained and disclosed in accordance with RCW Chapter 42.56.

**XII. PROPRIETARY RIGHTS**

- A. The parties to this Contract hereby mutually agree that if any patentable or copyrightable material or article should result from the work described herein, all rights accruing from such material or article shall be the sole property of the County. The County agrees to and does hereby grant to the Contractor, irrevocable, nonexclusive, and royalty-free license to use, according to law, any material or article and use any method that may be developed as part of the work under this Contract.
- B. The foregoing products license shall not apply to existing training materials, consulting aids, checklists and other materials and documents of the Contractor, which are modified for use in the performance of this Contract.
- C. The foregoing provisions of this section shall not apply to existing training materials, consulting aids, checklists, and other materials and documents of the Contractor that are not modified for use in the performance of this Contract.

**XIII. CORRECTIVE ACTION**

A. Default by Contractor

If the County determines that a breach of contract has occurred because the Contractor failed to comply with any material terms or conditions of this Contract or the Contractor has failed to provide in any manner the work or services agreed to in any Project/Program Exhibit attached hereto, and if the County deems said breach to warrant corrective action, the following sequential procedure shall apply.

1. The County shall notify the Contractor in writing of the nature of the breach.
2. The Contractor shall submit a plan describing the specific steps being taken to correct the specified deficiencies (the "corrective action plan"). The corrective action plan shall be submitted to the County within ten business days from the Contractor's receipt of the County's notice under this section. The corrective action plan shall specify the proposed completion date for bringing the Contract into compliance, which completion date shall not be more than 30 days from the date the County receives the Contractor's corrective action plan, unless the County, in its sole discretion specifies in writing an extension in the number of days to complete the corrective actions.
3. The County shall notify the Contractor, in writing, of the County's determination as to the sufficiency of the Plan. The County shall have sole discretion in determining the sufficiency of the Contractor's corrective action plan.

B. Termination of Contract

In the event that the Contractor does not respond within the appropriate time with a corrective action plan, or the Contractor's corrective action plan is determined by the

County to be insufficient, the County may commence termination of this Contract in whole or in part pursuant to Section XV. Termination Subsection B.

C. County Withholding of Payment

In addition, the County may withhold any payment owed the Contractor or prohibit the Contractor from incurring additional obligations of funds until the County is satisfied that corrective action has been taken or completed.

D. No Waiver of Other Remedies

Nothing herein shall be deemed to affect or waive any rights the parties may have pursuant to Section XV. Termination or other remedies authorized by law.

**XIV. ASSIGNMENT**

The Contractor shall not assign, transfer or subcontract any portion of this Contract or transfer or assign any claim arising pursuant to this Contract without the prior written consent of the County. Additional terms for County consent to such assignment, transfer or subcontract may be described in a Project/Program Exhibit and, where expressly specified in the Project/Program Exhibit, shall supersede the requirements and limitations of the Section XIV. Said consent must be sought in writing by the Contractor not less than 15 business days prior to the date of any proposed assignment, transfer or subcontract. The Contractor shall deliver to the County with its request for consent, such information regarding the proposed assignee, transferee or subcontractee, including its proposed mission, legal status, and financial and management capabilities as is reasonably available to the Contractor. Within 15 days after such request for consent, King County may reasonably request additional available information on the proposed assignee, subcontractee or transferee. If the County shall give its consent, this section shall nevertheless continue in full force and effect. Any assignment, transfer or subcontract without prior County consent shall be void.

**XV. TERMINATION**

A. Termination for Convenience

1. This Contract may be terminated by the County without cause, in whole or in part, prior to the termination date specified in the Project/Program Exhibit, by providing the Contractor 30 days advance written notice of the termination.
2. In addition to the foregoing, if expected or actual funding is withdrawn, reduced, or limited in any way prior to the termination date set forth in the Project/Program Exhibit, the County may, upon written notification to the Contractor, terminate this Contract in whole or in part.
3. If the Contract is terminated as provided above:
  - a. The County shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination; and
  - b. The Contractor shall be released from any obligation to provide such further services pursuant to the Contract as are affected by the termination.

## B. Termination for Cause

1. The County may terminate this Contract, in whole or in part, upon seven days advance written notice to the Contractor in the event:
  - a. The Contractor materially breaches any duty, obligation, or service required pursuant to this Contract and such breach has not been cured by a corrective action plan acceptable to the County; or
  - b. The duties, obligations, or services required herein become impossible, illegal or not feasible.
2. If the County terminates the Contract pursuant to this section, the Contractor shall be liable for damages, including any additional costs of procurement of similar services from another source.
3. If the termination results from acts or omissions of the Contractor, including but not limited to misappropriation, nonperformance of required services, or fiscal mismanagement, the Contractor shall return to the County immediately any funds, misappropriated or unexpended, which have been paid to the Contractor by the County.
4. If County or other expected or actual funding is withdrawn, reduced, or limited in any way prior to the termination date set forth above in Section II. Duration of Contract, the County may, upon written notification to the Contractor, terminate this Contract in whole or in part.
5. If the Contract is terminated as provided in this Subsection:
  - a. The County shall be liable only for payment in accordance with the terms of this Contract for services rendered and authorized purchases made prior to the effective date of termination; and
  - b. The Contractor shall be released from any obligation to provide such further services pursuant to the Contract as are affected by the termination.
6. Funding or obligation under this Contract is conditional upon appropriation by the County Council of sufficient funds to support the activities described in the Contract. Should such appropriation not be approved, this Contract shall terminate at the close of the current appropriation.

## C. Waiver

Nothing herein shall limit, waive, or extinguish any right or remedy provided by this Contract at law or in equity that either party may have in the event that the obligations, terms and conditions set forth in this Contract are breached by the other party.

## **XVI. ENTIRE CONTRACT/WAIVER OF DEFAULT**

The parties agree that this Contract is the complete expression of the terms hereto and any oral or written representations or understandings not incorporated herein are excluded. Both parties recognize that time is of the essence in the performance of the provisions of this Contract. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of

the terms of the Contract unless stated to be such through written approval by the County, which shall be attached to the original Contract.

**XVII. HOLD HARMLESS AND INDEMNIFICATION**

**A. Contractor is an Independent Contractor**

In providing services under this Contract, the Contractor is an Independent Contractor and neither it, nor its officers, agents or employees, are employees of the County for any purpose. The Contractor shall be responsible for all federal and/or state tax, industrial insurance, and Social Security liability that may result from the performance of and compensation for these services and shall make no claim of career service or civil service rights which may accrue to a County employee under state or local law.

The County assumes no responsibility for the payment of any compensation, wages, benefits or taxes by, or on behalf of, the Contractor, its employees, and/or others by reason of this Contract. The Contractor shall protect, indemnify, and hold harmless the County, its officers, agents and employees from and against any and all claims, costs, and/or losses whatsoever occurring or resulting from:

1. The Contractor's failure to pay any such compensation, wages, benefits or taxes; and/or
2. The supplying to the Contractor of work, services, materials or supplies by Contractor employees or other suppliers in connection with or support of the performance of this Contract.

**B. Contractor Agreement to Repay**

The Contractor further agrees that it is financially responsible for and shall repay the County all indicated amounts following an audit exception that occurs due to the negligence, intentional act, and/or failure, for any reason, to comply with the terms of this Contract by the Contractor, its officers, employees, agents, and/or representatives. This duty to repay the County shall not be diminished or extinguished by the prior termination of the Contract pursuant to the Duration of Contract or the Termination Sections.

**C. Contractor Indemnification of County**

1. The Contractor shall protect, defend, indemnify and hold harmless the County, its officers, employees and agents from any and all costs, claims, judgments and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Contractor, its officers, employees, contractors, subcontractors and/or agents, in its performance and/or non-performance of its obligations under this Contract. The Contractor agrees that its obligations under this subparagraph extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the Contractor, by mutual negotiation, hereby waives, as respects to the County only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of RCW, Title 51. In the event the County incurs any judgment, award and/or cost arising there from including attorneys' fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the Contractor. To the extent that a Contractor subcontractor fails to satisfy its obligation to defend and indemnify King County, as detailed in Section XVII. Hold Harmless and Indemnification, the

Contractor shall protect, defend, indemnify and hold harmless King County, its officers, employees, and agents from any and all costs, claims, judgments, and/or awards or damages arising out of, or in any way resulting from the negligent act or omissions of the Contractor's contractor/subcontractor, its officers, employees, and/or agents in connection with or in support of this Contract.

2. Claims shall include, but not be limited to, assertions that use or transfer of software, book, document, report, film, tape, or sound reproduction, or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name and/or otherwise results in unfair trade practice.
3. The Contractor agrees not to perform any acts that include use or transfer of software, book, document, report, film, tape, or sound reproduction, or material of any kind, delivered hereunder, that constitutes an infringement of any copyright, patent, trademark, trade name and/or otherwise results in unfair trade practice. The Contractor agrees to indemnify the County for any harm resulting from unfair trade practices.
4. The provisions in this section shall survive the termination and/or duration of the Contract term.
5. Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Contract.
6. The indemnification, protection, defense and hold harmless obligations contained herein shall survive the expiration, abandonment or termination of this Contract.

#### **XVIII. INSURANCE REQUIREMENTS—GENERAL**

##### **A. Insurance Required**

By the date of execution of this Contract, the Contractor shall procure and maintain for the duration of this Contract, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of work hereunder by the Contractor, its agents, representatives, employees and/or contractor/subcontractors. The Contractor or contractor/subcontractor shall pay the costs of such insurance. The Contractor shall furnish separate certificates of insurance and policy endorsements from each contractor/subcontractor as evidence of compliance with the insurance requirements of this Contract.

The Contractor is responsible for ensuring compliance with all of the insurance requirements stated herein. Failure by the Contractor, its agents, employees, officers, contractor/subcontractors, providers and/or provider subcontractors to comply with the insurance requirements stated herein shall constitute a material breach of this Contract.

Each insurance policy shall be written on an "occurrence" form; except that insurance on a "claims made" form may be acceptable with prior County approval. If coverage is approved and purchased on a "claims made" basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of Contract termination, and/or conversion from a "claims made" form to an "occurrence" coverage form.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded by said policies, which

coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained in this provision shall affect and/or alter the application of any other provision contained within this Contract.

B. Risk Assessment by Contractor

By requiring such minimum insurance, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Contract, nor shall such minimum limits be construed to limit the limits available under any insurance coverage obtained by the Contractor. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

C. Minimum Scope of Insurance. Coverage shall be at least as broad as the following:

1. General Liability

Insurance Services Office form number (CG 00 01) covering **COMMERCIAL GENERAL LIABILITY**.

2. Professional Liability, Errors and Omissions Coverage

In the event that services delivered pursuant to this Contract either directly or indirectly involve or require professional services, Professional Liability, Errors and Omissions coverage shall be provided. "Professional Services", for the purpose of this Contract section, shall mean any services provided by a licensed professional or those services that require a professional standard of care.

3. Automobile Liability

Insurance Services Office form number (CA 00 01) covering **BUSINESS AUTO COVERAGE**, symbol 1 "any auto"; or the appropriate coverage provided by symbols 2, 7, 8, or 9.

4. Workers' Compensation

Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this work by applicable federal or "Other States" state law.

5. Stop Gap/Employers Liability

Coverage shall be at least as broad as the protection provided by the Workers' Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the general liability policy.

6. Property Insurance

Insurance Services Office form number (CP 00 10) covering **BUILDING AND PERSONAL PROPERTY COVERAGE** and Insurance Services Office form number (CP 10 30) **CAUSES OF LOSS – SPECIAL FORM** or project appropriate equivalent.

7. National Flood Insurance

The use of CDBG and HOME funds for acquisition or construction purposes in identified special flood hazard areas shall be subject to Contractor mandatory purchase of flood insurance as required by Section 102(a) of the Flood Disaster Protection Act of 1973 (Pub L. 93-237).

8. Builder's Risk/Installation Floater

The Contractor shall procure and maintain during the life of the Contract, or until acceptance of the project by King County, whichever is longer, "All Risk" Builders Risk Insurance at least as broad as ISO form number CP0020 (Builders Risk Coverage Form) with ISO form number CP0030 (Causes of Loss—Special Form) including coverage for collapse, theft and property in transit. The coverage shall insure for direct physical loss to property of the entire construction project, for 100 percent of the replacement value thereof. The policy shall be endorsed to cover the interests, as they may appear, of King County, Owner, Contractor and subcontractors of all tiers with King County listed as a loss payee.

D. Minimum Limits of Insurance—Capital Projects

The Contractor shall maintain limits no less than the following:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence by bodily injury, personal injury, and property damage; and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
2. Professional Liability, Errors, and Omissions: \$1,000,000, Per Claim and in the Aggregate.
3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage if the use of motor vehicles is contemplated.
4. Workers' Compensation: Statutory requirements of the state of residency.
5. Stop Gap/Employers Liability: \$1,000,000.
6. Property Insurance: One hundred percent replacement value of funded structure.

E. Minimum Limits of Insurance—Building Construction Period

Prior to commencement of building construction and until construction is complete and approved by the Contractor, the Contractor shall cause the construction contractor and related professionals to procure and maintain insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the activities related to this Contract. The Contractor and County shall be named as additional insureds on liability policies except Workers Compensation and Professional Liability, and as Named Insureds on Builders Risk policies. The cost of such insurance shall be paid by the Contractor and/or any of the Contractor's contractors/ subcontractors. The Contractor shall maintain limits no less than the following:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage and \$2,000,000 in the aggregate.

2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
  3. Professional Liability, Errors & Omissions: \$1,000,000, Per Claim and in the Aggregate.
  4. Builder's Risk Insurance: One hundred percent replacement cost value.
  5. Workers Compensation: Statutory requirements of the State of residency.
  6. Stop Gap or Employers Liability Coverage: \$1,000,000.
- F. Minimum Limits of Insurance—Services Agreements: The Contractor shall maintain limits no less than the following:
1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage and \$2,000,000 in the aggregate.
  2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
  3. Professional Liability, Errors & Omissions: \$1,000,000, Per Claim and in the Aggregate.
  4. Workers Compensation: Statutory requirements of the State of Residency.
  5. Stop Gap or Employers Liability Coverage: \$1,000,000.

Paragraphs G, H, I, J, K and L below apply to Capital Projects, Construction Projects and Services Contracts.

G. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to, and approved by, the County. The deductible and/or self-insured retention of the policies shall not apply to the Contractor's liability to the County and shall be the sole responsibility of the Contractor.

H. Other Insurance Provisions

The insurance policies required in this Contract are to contain, or be endorsed to contain, the following provisions:

1. All Liability Policies except Professional and Workers Compensation.
  - a. The County, its officers, officials, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Contract. Such coverage shall include Products-Completed Operations.
  - b. To the extent of the Contractor's negligence, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Contractor's insurance or benefit the Contractor in any way.

- c. The Contractor's insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

2. Property Coverage Policies

- a. The County shall be added to all Property Coverage Policies as a loss payee as its interests may appear.
- b. The County shall be added as a Named Insured as its interests may appear to all Builders Risk policies.

3. All Policies

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after 30 days prior written notice has been given to the County.

I. Acceptability of Insurers

Unless otherwise approved by the County, insurance is to be placed with insurers with an AM Best's rating of no less than A: VIII, or, if not rated with AM Bests, with minimum surpluses the equivalent of an AM Bests' surplus size VIII.

Professional Liability, Errors, and Omissions insurance may be placed with insurers with an AM Bests' rating of B+VII. Any exception must be approved by the County.

If, at any time, the foregoing policies shall fail to meet the above requirements, the Contractor shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with appropriate certificates and endorsements, for approval.

J. Verification of Coverage

The Contractor shall furnish the County with certificates of insurance and endorsements required by this Contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the County prior to the commencement of activities associated with the Contract. The County reserves the right to require complete, certified copies of all required insurance policies at any time.

If the Agency/Contracting Party is a Municipal Corporation or an agency of the State of Washington and is a member of the Washington Cities Insurance Authority (WCIA) or any other self-insurance risk pool, a written acknowledgement/certification of current membership will be attached to the Agreement as Exhibit I and satisfies the insurance requirements specified above.

K. Subcontractors

The Contractor shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. If the Contractor is relying on the insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this

Contract, then such requirements and documentation shall be subject to all of the requirements stated herein.

L. Municipal or State Contractor Provisions

If the Contractor is a municipal corporation or an Contractor of the state of Washington and is self-insured for any of the above insurance requirements, a certification of self-insurance shall be provided for the self-insured requirements and attached hereto and be incorporated by reference and shall constitute compliance with this section. If the certificate of self-insurance does not cover all mandatory requirements, the Contractor shall provide separate certificates and endorsements that document coverage.

**XIX. NONDISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY**

A. Equal Benefits to Employees with Domestic Partners

To the extent prohibited by KCC Chapter 12.19, King County's "Equal Benefits" (EB) ordinance, and related administrative rules adopted by the County Executive, as a condition of a competitive award of a contract valued at \$25,000 or more, non-public Contractors agree not to discriminate in the provision of employee benefits between an employees with spouses, employees with domestic partners or employees who reside with legally domiciled members of households during the performance of this Contract. Failure to comply with this provision shall be considered a material breach of this Contract, and may subject the Contractor to administrative sanctions and remedies for breach.

When a competitively awarded contract is valued at \$25,000 or more, the Contractor shall complete a Worksheet and Declaration form for County review and acceptance prior to Contract execution. The EB Compliance forms, KCC Chapter 12.19, and related administrative rules are incorporated herein by reference. They are also available online at: [http://www.kingcounty.gov/operations/procurement/Services/Equal\\_Benefits.aspx](http://www.kingcounty.gov/operations/procurement/Services/Equal_Benefits.aspx)

B. Nondiscrimination in Employment Provision of Services

To the extent prohibited by KCC Chapter 12.16 or 12.17, during the performance of this Contract, neither the Contractor nor any party subcontracting under the authority of this Contract shall discriminate or tolerate harassment on the basis of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification.

C. Nondiscrimination in Subcontracting Practices

To the extent prohibited by KCC Chapter 12.16 or 12.17, during the term of this Contract, the Contractor shall not create barriers to open and fair opportunities to participate in County contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with subcontractors and suppliers, the Contractor shall not discriminate against any person because of their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification.

#### D. Compliance with Laws and Regulations

The Contractor shall comply fully with all applicable federal, state and local laws, ordinances, Presidential Executive Orders and regulations that prohibit discrimination to the extent applicable. These laws include, but are not limited to, RCW Chapter 49.60, Titles VI and VII of the Civil Rights Act of 1964, the American with Disabilities Act, and the Restoration Act of 1987. In addition, King County Code chapters 12.16, 12.17 and 12.18 are incorporated herein by reference and the requirements in these code chapters shall specifically apply to this contract, to the full extent applicable. The Contractor shall further comply fully with any equal opportunity requirements set forth in any federal regulations, statutes or rules included or referenced in the contract documents.

#### E. Small Contractors and Suppliers and Minority and Women Business Enterprises Opportunities

King County encourages the Contractor to utilize small businesses, including Small Contractors and Suppliers (SCS), as defined below, and minority-owned and women-owned business enterprises certified by the Washington state Office of Minority and Women's Business Enterprises (OMWBE) in County contracts. The County encourages the Contractor to use the following voluntary practices to promote open competitive opportunities for small businesses, including SCS firms and minority-owned and women-owned business enterprises:

1. Inquire about King County's Contracting Opportunities Program. King County has established a Contracting Opportunities Program to maximize the participation of SCS in the award of King County contracts. The Program is open to all SCS firms certified by King County Business Development and Contract Compliance (BDCC). As determined by BDCC and identified in the solicitation documents issued by the County, the Program will apply to specific contracts. However, for those contracts not subject to the Program or for which the Contractor elected not to participate in the Program during the solicitation stage, the Contractor is still encouraged to inquire voluntarily about available firms. Program materials, including application forms and a directory of certified SCS firms, are available at the following Web-site address: <http://www.kingcounty.gov/bdcc>.

The term "Small Contractors and Suppliers" (SCS) means that a business and the person or persons who own and control it are in a financial condition which puts the business at a substantial disadvantage in attempting to compete for public contracts. The relevant financial condition for eligibility under the Program is set at fifty percent of the Federal Small Business Administration (SBA) small business size standards using the North American Industry Classification System and Owners' Personal Net Worth less than \$750,000 dollars.

2. Contact the OMWBE to obtain a list of certified minority-owned and women-owned business enterprises by visiting their website at <http://www.omwbe.wa.gov/> or by Toll Free telephone (866) 208-1064.
3. Use the services of available community organizations, consultant groups, local assistance offices, the County, and other organizations that provide assistance in the recruitment and placement of small businesses, including SCS firms and minority-owned and women-owned business enterprises.

F. Equal Employment Opportunity Efforts

The Contractor shall undertake equal employment opportunity efforts to ensure that applicants and employees are treated, without regard to their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age. The Contractor's equal employment opportunity efforts shall include but not be limited to, the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The Contractor agrees to post in conspicuous places available to employees and applicants for employment notices setting forth this nondiscrimination clause. In accordance with KCC 12.16.010.j. "equal employment opportunity efforts" shall mean active efforts to ensure equal opportunity in employment that is free from all forms of discrimination.

G. Compliance with Section 504 of the Rehabilitation Act of 1973 as amended (Section 504) and the American Disabilities Act of 1990 as amended (ADA)

Pursuant to Title II of the ADA and Section 504 the County must not discriminate against people with disabilities in providing services, programs or activities even if those services, programs or activities are carried out by contractors. The Contractor agrees that it shall provide all programs, services and activities to County employees or members of the public under this Contract in the same manner as King County is obligated to under Title II of the ADA, and Section 504 and shall not deny participation or the benefits of such services, programs or activities to people with disabilities on the basis of such disability. Failure to comply with this section shall be a material breach of, and grounds for, the immediate termination of this Contract.

1. The Contractor agrees to provide to persons with disabilities access to programs, activities and services provided under the Contract or agreement, as required by the disability access laws as defined by KCC 12.16; and
2. The Contractor shall not discriminate against persons with disabilities in providing the work under the Contract. In any subcontracts for the programs, activities and services under their contract or agreement, the Contractor shall include the requirement that the subcontractor provide to persons with disabilities access to programs, activities and services provided under the contract or agreement as required by the disability access laws as defined by KCC 12.16, that the subcontractor shall not discriminate against persons with disabilities in providing the work under the Contract and that the subcontractor shall provide that the County is a third party beneficiary to that required provision.

H. Sanctions for Violations

Any violation of the mandatory requirements of the provisions of this section shall be a material breach of contract for which the Contractor may be subject to damages, withholding payment and any other sanctions provided for by the Contract and by applicable law.

I. Fair Housing Protections

The Contractor shall comply with the federal Fair Housing Act, Public Law 90-284 (42 USC 3601 et seq.). The Contractor shall take necessary and appropriate actions to prevent discrimination in any housing-related project under this Contract, which includes rental housing projects and/or projects that include residential real estate-related

transactions, as required by the Federal Fair Housing Act as amended (42 USC 3601) and the Washington State Law Against Discrimination (RCW Chapter 49.60). Residential real estate-related transactions include the making or purchasing of loans or the provision of financial assistance secured by real estate, or the making or purchasing of loans or financial assistance for the purchasing, constructing, improving, repairing or maintaining of a dwelling. Rental housing includes any dwelling that is intended for occupancy as a residence for one or more families by lease, sublease or by grant for a consideration of the right to occupy Premises not owned by the occupant. In addition, except for projects located in incorporated jurisdictions, the Contractor shall comply with the applicable provisions of the King County Open Housing Ordinance, codified at Chapter 12.20 of the King County Code, which prohibits practices of housing discrimination against any person on the basis of age, ancestry, color, disability, marital status, national origin, parental status, possession of Section 8 housing assistance, race, religion, retaliation, sex, and sexual orientation.

Projects using federal funds shall also comply with subsections K, L, and M below.

J. Additional Federal Nondiscrimination Requirements

The Contractor shall comply with all applicable federal laws prohibiting discrimination, including the following:

1. Presidential Executive Order 11063 as amended and implementing regulations at 24 CFR Part 107;
2. Section 109 of the HCD Act of 1974, as amended (42 USC 5301);
3. The Americans with Disabilities Act (42 USC 1213; 47 USC 155, 201, 218 and 225); and
4. Section 504 of the Rehabilitation Act of 1973 and regulations at 24 CFR Part 8.

K. Prohibited Discriminatory Actions

1. Except where expressly authorized by federal law, the Contractor may not, under any program or activity to which this Contract applies, directly or through contractual or other arrangements, discriminate on the grounds of age, color, creed, familial status, marital status, nationality, religion, race, sex, sexual orientation, or the presence of any, physical, mental or sensory disability. Discriminatory actions may include but are not limited to the following:
  - a. Denying any person access to facilities, services, financial aid or other benefits provided under the program or activity;
  - b. Denying any person services due to limited English proficiency;
  - c. Providing any person with facilities, services, financial aid or other benefits, which are different, or are provided in a different form from that provided to others under the program or activity;
  - d. Subjecting any person to segregated or separate treatment in any facility or in any matter or process related to receipt of any service or benefit under the program or activity;

- e. Restricting in any way access to or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity;
  - f. Treating any person differently from others in determining whether the person satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any facilities, services or other benefit provided under the program or activity;
  - g. Denying any person any opportunity to participate in a program or activity as an employee; and
  - h. Failing to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individuals with disabilities and failure to remove architectural and communication barriers that are structural in nature in existing facilities, where such removal can be accomplished without difficulty and expense.
- 2. The Contractor shall not utilize criteria or methods of administration that have the effect of subjecting individuals to discrimination on the basis of age, color, familial status, nationality, race, religion, sex, or sexual orientation; or mental, physical, or sensory disability; or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular age, color, familial status, nationality, race, religion, sex, or sexual orientation; or the presence of any mental, physical, or sensory disability.
  - 3. The Contractor, in determining the site or location of housing or facilities provided in whole or in part with funds under this Contract, may not make selections of such site or location which have the effect of excluding individuals, denying them benefits, or subjecting them to discrimination on the grounds of age, sex, marital status, familial status, religion, race, creed, color, sexual orientation, nationality, or the presence of any sensory, mental or physical disability; or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the HCD Act or of the HUD Regulations.

L. Employment Projections

In all solicitations under this Contract, the Contractor shall state that all qualified applicants will be considered for employment. The words "equal opportunity employer" in advertisements shall constitute compliance with this section.

M. No Conflict with Federal Requirements.

As indicated by HUD Notice CPD 04-10, a faith-based organization's exemption from the federal prohibition on employment discrimination on the basis of religion, set forth in 42 USC 2000e-1(a), is not forfeited when the organization receives HUD funding. Faith-based organizations, like any other entity participating in a HUD-funded program, must, however, comply with all the statutory requirements of that particular HUD-funded program. Both the CDBG and HOME Programs contain statutory provisions imposing non-discrimination requirements on all subrecipients, subgrantees or contractors. Religious organizations that believe that certain non-discrimination statutory requirements are substantially burdensome may be entitled to protection under the Religious Freedom Restoration Act [42 USC 4000bb-3, 4000bb-2(1)] which applies to all federal law and its implementation. Subrecipients, subgrantees, or contractors should

be aware that anti-discrimination provisions of Section 109 of the Housing and Community Development Act of 1974, Section 282 of the HOME Investment partnership Act may pose questions of conformance with Title VII of the Civil Rights Act of 1964 and future court rulings could define more specifically the application of these laws to faith-based organizations. In the event that a provision of this Contract is deemed to be in actual conflict with federal law, the conflicting provision in this Contract shall not apply.

## **XX. SUBCONTRACTS AND PURCHASES**

### **A. Subcontract Defined**

“Subcontract” shall mean any agreement between the Contractor and a subcontractor or between subcontractors that is based on this Contract, provided that the term “subcontract” does not include the purchase of (1) support services not related to the subject matter of this Contract, or (2) supplies.

### **B. Writing Required**

Any work or services assigned or subcontracted hereunder shall be in writing and must be approved by the County as provided in Section XIV. Assignment The Contractor agrees that it is as fully responsible to the County for the acts and omissions of its subcontractors and their employees and agents, as it is for the acts and omissions of its own employees and agents, as specified in Subsection XVII. Hold Harmless and Indemnification Subsection C.

### **C. Required Contract Terms**

The Contractor shall include the applicable provisions of Sections XVIII. Hold Harmless and Indemnification, XIX. Nondiscrimination and Equal Employment Opportunity, and XX. Subcontracts and Purchases in every subcontract or purchase order for goods or services which are paid for in whole or in part with funds provided under this Contract. The Contractor agrees to include the following language verbatim in every subcontract, provider agreement, or purchase agreement for services, which relate to the subject matter of this Contract:

“Subcontractor shall protect, defend, indemnify, and hold harmless King County, its officers, employees, and agents from any and all costs, claims, judgments, and/or awards of damages arising out of, or in any way resulting from the negligent act or omissions of subcontractor, its officers, employee, and/or agents in connection with or in support of this Contract. Subcontractor expressly agrees and understands that King County is a third party beneficiary to this Contract and shall have the right to bring an action against subcontractor to enforce the provisions of this paragraph.”

Projects using federal funds must also comply with subsections D, E, F, G and H.

### **D. Debarred Contractors**

The Contractor certifies that neither the Contractor nor any person or entity with a controlling interest in the Contractor is under suspension, debarment, voluntary exclusion or determination of ineligibility from participation in federal assistance programs under Presidential Executive Order 12549 or 12689, “Debarment and Suspension”. The Contractor further certifies that neither the Contractor nor any person or entity with a controlling interest in the Contractor has any proceeding pending

to suspend, debar, exclude or determine them ineligible from participation in federal assistance programs under Presidential Executive Order 12549 or 12689.

The Contractor shall not make any award at any time to any contractor, which is debarred, suspended or excluded, from participation in federal assistance programs under Presidential Executive Order 12549, "Debarment and Suspension".

The Contractor shall ensure that all subcontractors receiving any federal funds pursuant to this agreement have not been debarred or suspended from federal contract participation. This may be done by checking the System for Award Management at <https://www.sam.gov>, which lists all suspended and debarred entities.

E. Subcontracting Requirements

A Contractor which receives federal funds under this Contract also shall include the following sections in every subcontract or purchase order for goods and services which are paid in whole or in part with funds provided under this Contract: Sections V. Compensation and Method of Payment Subsections F or G and I, XVII. Hold Harmless and Indemnification Subsection B., XVIII. Insurance Requirements – General Subsection K., XIX. Nondiscrimination and Equal Employment Opportunity, and XXII. Conflict of Interest Subsection B. and, if the subcontract is for construction, Sections XXXIV. Labor Standards and XXXV. Employment Opportunities on Assisted Construction Projects

F. Federal Procurement Requirements

If the Contractor is a municipal corporation or a Contractor of the State of Washington, it agrees to comply with procurement requirements specified in 24 CFR § 85.36(b) through (g). If the Contractor is a nonprofit corporation, it agrees to comply with procurement requirements specified in 24 CFR §§ 84.40 through 84.48 or as otherwise provided in the Project/Program Exhibit. The regulations at 24 CFR § 85.36 (b) through (g) and 24 CFR §§ 84.40 through 84.48, require that all goods and services, irrespective of cost, be procured using a competitive process.

G. Federal Bid Guarantee and Bond Requirements

If the Contractor is subcontracting construction work under this Contract, the subcontract shall require for any construction contracts exceeding \$100,000:

1. A bid guarantee from each bidder equivalent to five percent of the bid price;
2. A performance bond from the contractor for one hundred percent of the contract price; and
3. A payment bond from the contractor for one hundred percent of the contract price. The Contractor may, at its discretion, require any of these requirements on construction contracts of less than \$100,000. The specific requirements for bid guarantees and bonds are at 24 CFR § 84.48(c) for nonprofit corporations and 24 CFR § 85.36(h) for municipal corporations and agencies of the State of Washington.

H. Failure to Comply is Default

Failure by the Contractor to require compliance with the above terms and conditions in subcontracts shall constitute a breach of this Contract.

**XXI. NONDISCRIMINATION IN SUBCONTRACTING PRACTICES**

Projects using federal funds shall comply with the following requirements:

**A. Federal Requirements**

In soliciting subcontractors to supply goods or services for the activities under this Contract, the Contractor shall comply with 24 CFR § 85.36(e) as amended if the Contractor is a municipal corporation or an Agency of the State of Washington, and 24 CFR § 84.44(b)(1)-(5) if the Contractor is a nonprofit corporation. In accordance with these regulations, the Contractor shall take all necessary affirmative steps to assure MWBEs and labor surplus area firms are used as subcontractors when possible. Affirmative steps shall include those actions specified above in this section of the Contract.

**B. Nondiscrimination in Federally Assisted Construction**

The Contractor shall also require compliance with Presidential Executive Order 11246 as amended and 41 CFR Part 60 regarding nondiscrimination in bid conditions for construction projects over \$10,000.

**XXII. CONFLICT OF INTEREST**

**A. King County Code Chapter 3.04 Compliance.**

1. The Contractor shall comply with applicable provisions of KCC Chapter 3.04. Failure to comply with such provisions shall be a material breach of Contract and may result in termination of this Contract pursuant to Section XV. Termination and subject the Contractor to remedies stated therein or otherwise available to the County at law or in equity. This section shall not apply to a Contractor that is a municipal corporation which has adopted an employee code of ethics; provided that nothing in this section is intended to contract away such a Contractor's obligation to comply with any KCC Chapter 3.04 provision that applies independent of this Contract.

**2. No Preferential Treatment**

The Contractor agrees that it will not attempt to secure preferential treatment in dealings with the County by offering any valuable consideration, thing of value, or gift, whether in the form of services, loan, thing, or promise, in any form, to any County official or employee. The Contractor acknowledges that if it is found to have violated the prohibition found in this paragraph its current contracts with the County shall be cancelled and it shall not be able to bid on any County contract for a period of two years.

**3. Disclosure of Current and Former County Employees**

To avoid any actual or potential conflict of interest or unethical conduct:

a. County employees or former County employees are prohibited from assisting with the preparation of proposals or contracting with, influencing, advocating, advising or consulting with a third party, including Contractor, while employed by the County or within one year after leaving County employment if he/she participated in determining the work to be done or processes to be followed while a County employee.

- b. Contractor shall identify at the time of offer current or former County employees involved in the preparation of proposals or the anticipated performance of Work if awarded the Contract. Failure to identify current or former County employees involved in this Contract may result in termination of this Contract.
- c. After Contract award, the Contractor is responsible for notifying the County's Project Manager of current or former County employees who may become involved in the Contract any time during the term of the Contract.

B. No Conflict of Interest

The Contractor shall abide by the provision of 24 CFR §§ 84.42 and 570.611, if applicable, and by the following:

- 1. The Contractor shall maintain a written code or standards of conduct that shall govern the performance of its officer, employees or agents engaged in the award and administration of contracts supported by funds under this Contract;
- 2. No employee, director, officer or agent of the Contractor shall participate in the selection or in the award, or administration of a contract supported by funds under this contract if a conflict of interest, real or apparent, would be involved. By way of example, such a conflict would arise if such a person, or his or her employer, immediate family member or partner has financial or other interest in the entity selected; and
- 3. No covered persons who exercise or have exercised any functions or responsibilities with respect to any Contract-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may have or obtain a financial interest in any contract, subcontract or agreement regarding a Contract-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure and for one year thereafter. For purposes of this paragraph, "covered persons" includes any person who is an employee, agent, consultant, officer, or director of the Contractor or the County.

**XXIII. BOARD OF DIRECTORS**

- A. If the Contractor is incorporated, it must have an active, legally constituted board of directors in accordance with the requirements of RCW Chapters 23B or 24, to the extent applicable.
- B. The following additional requirements shall apply to the agencies that qualify as non-profit organizations under USC, Title 26, Subtitle A, Chapter 1, Subchapter F, Part 1, Section 501(C)(3).
  - 1. The Contractor shall have a Board of Directors that shall be comprised of neither employees nor relatives of employees, officers, or directors of the Contractor. For the purposes of this section, a relative is defined as husband, wife, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, son, son-in-law, daughter, daughter-in-law, niece, nephew, grandparent, grandchild, uncle, aunt, domestic partner and child of domestic partner. In addition, the relatives of a domestic partner shall be considered relatives to the same extent such relatives would be included in this section, as if the employee and domestic partner were married.

2. The Board of Directors shall meet regularly.
3. The Board of Directors shall cause to be adopted a formal conflict of interest policy for Board members that complies with the applicable provisions of the Internal Revenue Code and its 501(C)(3) status, and addresses issues regarding gifts, financial gain, and improper use of position.

**XXIV. CONFIDENTIALITY**

The Contractor agrees that all information, records, and data collected in connection with this Contract shall be protected from unauthorized disclosure in accordance with applicable state and federal law.

**XXV. PERSONAL INFORMATION – NOTICE OF SECURITY BREACH**

- A. If the Contractor maintains computerized or other forms of data that includes personal information owned by the County, the Contractor shall notify the County of any breach of the security of the data immediately following discovery if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person in accordance with RCW 42.56.590 (2).
- B. The Contractor shall provide all information requested by the County including the following in accordance with RCW 42.56.590, KCC 2.14.030, the King County Information Privacy Policy and any other applicable federal, state and local statute:
  1. Circumstances associated with the breach;
  2. Actions taken by the Contractor to respond to the breach ; and
  3. Steps the Contractor shall take to prevent a similar occurrence.

This information shall be provided in a format requested by the County.

- C. The County may at its sole discretion, require the Contractor to contact the appropriate law enforcement agency and to provide the County a copy of the report of the investigation conducted by the law enforcement agency. The Contractor shall also provide the County with any information it has regarding the security breach.
- D. The Contractor shall conspicuously display King County's Privacy Notice and provide a printed copy upon request.
- E. The Contractor shall be responsible for notifying individuals whose personal information may have become available to unauthorized users through a security breach. The Contractor shall also be responsible for any cost associated with notifying the affected individuals. This notification must be in accordance with RCW 42.56.590 (7).
- F. If the Contractor demonstrates that the cost of providing notice would exceed \$250,000, or that the potentially affected persons exceeds \$500,000, or the Contractor does not have sufficient contact information, substitute notice shall consist of the following in accordance with RCW 42.56.590 (7), (c).
  1. E-mail notice when the Contractor has an e-mail address for the subject persons;
  2. Conspicuous posting of the notice on the Contractor's web site page, if the Contractor maintains one; and

3. Notification to major County-wide media.

G. For purpose of this section, "personal information" means the same as defined in RCW 42.56.590:

1. An individual's first name or first initial and last name in combination with any one of the following data elements, when either the name or the data elements are not encrypted: social security number; driver's license number or Washington identification card number; or
2. Account number or credit or debit card number, in combination with any required security code; access code, or password that would permit access to an individual's financial account.

**XXVI. COMPLIANCE WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

Terms used in this section shall have the same meaning as those terms in the Privacy Rule, 45 CFR Parts 160 and 164.

A. Obligations and Activities of the Contractor

1. The Contractor agrees not to use or disclose protected health information other than as permitted or required by this Contract, HIPAA and the Health Information Technology for Economic and Clinical Health Act (HITECH). The Contractor shall use and disclose protected health information only if such use or disclosure, respectively, is in compliance with each applicable requirement of 45 CFR § 164.504(e). The Contractor is directly responsible for full compliance with the privacy provisions of HIPAA and HITECH that apply to business associates.
2. The Contractor agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information that it creates, receives, maintains, or transmits on behalf of the County as required by 45 CFR, Part 164, Subpart C. The Contractor is directly responsible for compliance with the security provisions of HIPAA and HITECH to the same extent as the County.
3. Within two (2) business days of the discovery of a breach as defined at 45 CFR § 164.402 the Contractor shall notify the County of any breach of unsecured protected health information. The notification shall include the identification of each individual whose unsecured protected health information has been, or is reasonably believed by the Contractor to have been, accessed, acquired, or disclosed during such breach; a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; a description of the types of unsecured protected health information that were involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved); any steps individuals should take to protect themselves from potential harm resulting from the breach; a brief description of what the Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; the contact procedures of the Contractor for individuals to ask questions or learn additional information, which shall include a toll free number, an e-mail address, Web site, or postal address; and any other information required to be provided to the individual by the County pursuant to 45 CFR § 164.404, as amended. A breach

shall be treated as discovered in accordance with the terms of 45 CFR § 164.410. The information shall be updated promptly and provided to the County as requested by the County.

4. The Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of protected health information by the Contractor in violation of the requirements of this Contract or the law.
5. The Contractor agrees to report in writing all unauthorized or otherwise improper disclosures of protected health information or security incident to the County within two days of the Contractor knowledge of such event.
6. The Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides protected health information received from, or created or received by the Contractor on behalf of the County, agrees to the same restrictions and conditions that apply through this Contract to the Contractor with respect to such information.
7. The Contractor agrees to make available protected health information in accordance with 45 CFR § 164.524.
8. The Contractor agrees to make available protected health information for amendment and incorporate any amendments to protected health information in accordance with 45 CFR § 164.526.
9. The Contractor agrees to make internal practices, books, and records, including policies and procedures and protected health information, relating to the use and disclosure of protected health information received from, or created or received by the Contractor on behalf of King County, available to the Secretary of the U.S. Department of Health and Human Services, in a reasonable time and manner for purposes of the Secretary determining King County's compliance with HIPAA, HITECH or this Contract.
10. The Contractor agrees to make available the information required to provide an accounting of disclosures in accordance with 45 CFR §164.528. Should an individual make a request to the County for an accounting of disclosures of his or her protected health information pursuant to 45 CFR § 164.528, Contractor agrees to promptly provide an accounting, as specified under 42 U.S.C. § 17935(c)(1) and 45 CFR §164.528, of disclosures of protected health information that have been made by the Contractor acting on behalf of the County. The accounting shall be provided by the Contractor to the County or to the individual, as directed by the County.
11. To the extent the Contractor is to carry out one or more of the covered entity's obligations under Subpart E of 45 CFR § 164, the contractor shall comply with the requirements of Subpart E that apply to the County in the performance of such obligations.

**B. Permitted Uses and Disclosures by Business Associate**

The Contractor may use or disclose protected health information to perform functions, activities, or services for, or on behalf of, King County as specified in this Contract, provided that such use or disclosure would not violate HIPAA if done by King County or the minimum necessary policies and procedures of King County.

C. Effect of Termination

1. Except as provided in paragraph C.2. of this section, upon termination of this Contract, for any reason, the Contractor shall return or destroy all protected health information received from the County, or created or received by the Contractor on behalf of the County. This provision shall apply to protected health information that is in the possession of subcontractors or agents of the Contractor. The Contractor shall retain no copies of the protected health information.
2. In the event the Contractor determines that returning or destroying the protected health information is infeasible, the Contractor shall provide to King County notification of the conditions that make return or destruction infeasible. Upon notification that return or destruction of protected health information is infeasible, the Contractor shall extend the protections of the Contract to such protected health information and limit further uses and disclosure of such protected health information to those purposes that make the return or destruction infeasible, for so long as the Contractor maintains such protected health information.

D. Reimbursement for Costs Incurred Due to Breach

Contractor shall reimburse the County, without limitation, for all costs of investigation, dispute resolution, notification of individuals, the media, and the government, and expenses incurred in responding to any audits or other investigation relating to or arising out of a breach of unsecured protected health information by the Contractor.

**XXVII. NOTICES**

Whenever this Contract provides for notice to be provided by one party to another, such notice shall be in writing; and directed to the Chief Executive Officer of the Contractor and the Director of the County Department of Community and Human Services. Any time within which a party must take some action shall be computed from the date that said party receives the notice.

**XXVIII. KING COUNTY RECYCLED PRODUCT PROCUREMENT POLICY**

In accordance with King County Code Chapter KCC 18.20 and King County Executive Policy CON 7-1-2, the Contractor shall use recycled paper for all printed and photocopied documents related to the submission of this solicitation and fulfillment of the Contract and shall, whenever practicable, use both sides of the paper.

**XXIX. SERVICES PROVIDED IN ACCORDANCE WITH LAW AND RULE AND REGULATION**

The Contractor and any subcontractor agree, when applicable, to abide by the terms of Chapters 26.44, , 70.02, 70.96A, 71.05, 71A.10, 71A.14, 71A.18, 71.20, 71.24, and 71.34 of the Revised Code of Washington, rules and regulations promulgated thereunder, the Basic InterContractor Contract between the Department of Social and Health Services and King County, as amended, and regulations of the state and federal governments, as applicable, which control disposition of funds granted under this Contract, all of which are incorporated herein by reference.

**XXX. POLITICAL ACTIVITY PROHIBITED**

**A. No Partisan Activity**

None of the funds, materials, property or services provided directly or indirectly under this Contract shall be used for any partisan political activity or to further the election or defeat of any candidate for public office.

All Projects using federal funds shall also comply with the following subsection:

**B. Certification Regarding Lobbying**

The Contractor certifies, to the best of its knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, 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 Contractor, 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, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**XXXI. MISCELLANEOUS PROVISIONS**

**A. Severability.**

Whenever possible, each provision of this Contract shall be interpreted to be effective and valid under applicable law. If any provision is found to be invalid, illegal or unenforceable, then such provision or portion thereof shall be modified to the extent necessary to render it legal, valid and enforceable and have the intent and economic effect as close as possible to the invalid, illegal and unenforceable provision.

B. Remedies.

Not Exclusive. No provision of this Contract precludes the County from pursuing any other remedies for the Contractor's failure to perform its obligations.

C. No Third Party Beneficiaries.

Except for the parties to whom this Contract is assigned in compliance with the terms of this Contract, there are no third party beneficiaries to this Contract, and this Contract shall not impart any rights enforceable by any person or entity that is not a party thereto.

This Contract shall be governed by and construed to the laws of the State of Washington. Any claim or suit between the parties arising out of this Contract may only be filed and prosecuted in King County Superior Court of U.S. District for the Western District of Washington, in Seattle.

**XXXII. AFFIRMATIVE MARKETING**

A. Federal Marketing Requirements

Each Contractor must adopt affirmative marketing procedures and requirements for projects containing five or more housing units funded with CDBG and/or HOME funds. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing. (The affirmative marketing procedures do not apply to families with housing assistance provided by the Public Housing Authority or families with tenant based rental assistance provided with HOME funds.) The County shall annually assess the Contractor's affirmative marketing program to determine the success of affirmative marketing actions and any necessary corrective actions.

B. The affirmative marketing requirements and procedures adopted must include:

1. Methods for informing the public, owners, and potential tenants about federal fair housing laws and the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups;
2. Requirements and practices the Contractor must adhere to in order to carry out the participating jurisdiction's affirmative marketing procedures and requirement (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);
3. Procedures to be used by the Contractor to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, language interpreters, places of worship, employment centers, fair housing groups, or housing counseling agencies);
4. Records must be kept describing actions taken by the Contractor to affirmatively market units and records to assess the result of these actions; and

5. A description of how the Contractor shall assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

### **XXXIII. ACCESSIBILITY FOR CAPITAL PROJECTS**

Any buildings or other facilities designed, constructed, or altered with federal funds pursuant to this Contract are subject to the requirements of the Architectural Barriers Act of 1968 (42 USC 4151 - 4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures, and Appendix A to 41 CFR Parts 101-19 and subpart 101-19.6 for general type building). When applicable, certain multi-family housing units designed and constructed for first occupancy after March 13, 1991, with assistance provided under this Contract must comply with the Fair Housing Accessibility Guidelines, 24 CFR Part 100 as amended.

### **XXXIV. LABOR STANDARDS**

Agencies receiving a CDBG and/or HOME award shall comply with Subsections A and C below.

#### **A. Davis-Bacon Requirements**

For projects assisted with CDBG funds, this Subsection shall not apply to construction or rehabilitation of residential property consisting of fewer than eight units. For projects assisted with HOME funds, this Subsection shall not apply to rehabilitation of rental property consisting of fewer than twelve units.

All construction work funded in whole or in part under this Contract must be performed in accordance with the Davis-Bacon Act, as amended (40 USC sections 276(a)-276(a)(5)), the Copeland "Anti-Kickback" Act, as amended (40 USC 276(c)) and the Contract Work Hours and Safety Standards Act (40 USC 327 et seq.) as further prescribed at 29 CFR Parts 1, 3, 5, 6 and 7. The Contractor will follow all Davis-Bacon documentation requirements and regularly submit required documentation to the County, shall maintain records sufficient to evidence compliance with this section and shall make such records available for the County's review upon request.

A copy of the current Davis-Bacon wages must be included in all construction bid specifications, contracts, and/or subcontracts over \$2,000, except where the project includes a copy of applicable state prevailing wages that are higher than current Davis-Bacon wages.

Agencies receiving an award of local funds (HOF, RAHP, HB 2331, Veterans and Human Services Levy or MIDD funds) or federal funds that do not trigger Davis-Bacon shall comply with Subsections B and C below:

#### **B. Prevailing Wages**

Projects that are not subject to Section A. above, shall pay State residential prevailing wage rates as a minimum. Projects that are subject to State prevailing wage requirements of chapter 39.12 RCW shall pay prevailing wages at or above the applicable State classification rate.

The Contractor shall provide annual certification to the County of its compliance with the requirements of this section. The Contractor shall additionally maintain records

sufficient to evidence compliance with this section and shall make such records available for the County's review upon request.

C. Use of Volunteers

The Contractor shall obtain the written approval of the County prior to allowing any volunteers to perform construction work on a project assisted under this Contract.

**XXXV. EMPLOYMENT OPPORTUNITIES ON ASSISTED CONSTRUCTION PROJECTS**

A. Section 3 Requirements

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

B. Section 3 Criteria for Capital Projects

As set forth in the HCD Plan, Section 3 regulations found at 24 CFR § 135.38 apply to all Project/Program Exhibits which meet all three of the following criteria:

1. The Project/Program Exhibit must include \$200,000 or more in total HUD funds from one or more program years;
2. The Project/Program Exhibit must include construction or rehabilitation work as a task that will be funded in full or in part with the HUD funds; and
3. The construction or rehabilitation work that will be funded must have a contract value, which exceeds \$100,000. Actual contract value of construction or rehabilitation work is the determining factor, not a cost estimate.

Additionally, Section 3 regulations are applicable to Project/Program Exhibit(s), which do not initially meet the above criteria but which are amended so as to add funds or change the activities for which the funds are used. Section 3 regulations do not apply to projects that include \$200,000 or more in HUD funds when the funds are being used for acquisition and/or professional services only and not for construction or rehabilitation work.

**XXXVI. NO BENEFIT TO OWNERS AND DEVELOPERS OF ASSISTED HOUSING**

No Contractor, developer or sponsor (or officer, employee, agent or consultant of the owner, developer or sponsor) whether private, for profit or not-for-profit (including a Community Housing Development Organization when acting as an owner, developer or sponsor) may occupy a CDBG, HOME, HOF, Regional Affordable Housing Program (RAHP), HB 2331 or Current Expense (CX)-assisted affordable housing unit in a project. This provision does not apply to an owner-occupant of single family housing or to an employee or agent of the owner or developer of a rental housing project who occupies a CDBG, HOME, HOF, RAHP, HB 2331 or CX-assisted unit as the project manager or maintenance worker.

**XXXVII. SUPPLANTING**

Any federal CDBG or Homeless Housing and Services (2163) Funds made available under this Contract to provide public (human) services shall not be utilized by the Contractor to reduce or replace the local financial support currently being provided to public (human) service programs. Homeless Housing and Services funds cannot be used in the place of existing housing operations or services funds.

**XXXVIII. DRUG FREE WORKPLACE CERTIFICATION AND OTHER FEDERAL REQUIREMENTS**

**A. Drug-Free Workplace Certification**

The Contractor certifies that it is in compliance with the Drug-Free Workplace Act of 1988 (42 U.S.C 701) and regulations set forth at 24 CFR part 24, subpart F.

**B. Other Federal Requirements**

The absence of mention in this Contract of any other federal requirements that apply to the award and/or expenditure of the federal funds made available by this Contract is not intended to indicate that those federal requirements are not applicable to Contractor activities. The Contractor shall comply with all other federal requirements relating to the expenditure of federal funds, including but not limited to, the Hatch Act (5 USC Chapter 15) regarding political activities.

**XXXIX. CONSTITUTIONAL PROHIBITION**

In accordance with the First Amendment of the United States Constitution, Article 1, Section 11 of the Washington State Constitution, and separation of church and state principles, as a general rule, funds received under this Contract may not be used for religious activities. Except where otherwise allowed by federal law, the following restrictions and limitations apply to the use of CDBG and HOME funds:

- A. Contractor may not engage in inherently religious activities, such as worship, religious instruction or proselytization, as part of the assistance funded under this Contract. If the Contractor conducts religious activities, the activities must be offered separately, in time and location, from the assistance funded under this Contract, and participation must be voluntary for the beneficiaries of the assistance;
- B. In performing under this Contract, the Contractor shall not discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief; and
- C. CDBG and HOME funds may be used to rehabilitate or construct facilities and housing owned by primarily religious organizations only to the extent those structures are used for conducting eligible activities consistent with 24 CFR § 570.200, 24 CFR § 92.257, and 24 CFR § 576.23.

**XL. PROMISSORY NOTE, DEED OF TRUST AND COVENANT**

The Contractor agrees that funding provided under this Contract for the acquisition, construction, improvement and/or rehabilitation of real property (Premises) owned by the Contractor is a loan from the County to the Contractor. The Contractor agrees to promptly execute a promissory note, deed of trust and covenant (if applicable), in a format approved by the County, if required in a Project/Program Exhibit. The Contractor agrees that for real property, which is leased by the Contractor and assisted under this Contract, the Contractor

shall obtain a covenant from the owner of the real property in a form approved by the County, if required in a Project/Program Exhibit.

**XLI. ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE FOR CAPITAL PROJECTS**

The Contractor shall at all times comply with all applicable federal, state, and local laws, statutes, rules and regulations relating to relocation of those persons and households residing at the Premises prior to occupancy by tenants. The Contractor shall be solely responsible for the cost of all relocation benefits required by law.

Capital Projects using federal funds shall also comply with the following subsection.

**A. Local Funds Only - Local Relocation Guidelines**

Projects that include or will include only local county funds (HOF-CX, Veterans and Human Services Levy, RAHP, 2331, Mental Health, or HIPDD Developmental Disabilities Funds) for the acquisition, demolition, and or rehabilitation of property that has existing residential tenants who may be displaced shall provide relocation benefits to all displaced households. Effective October 1, 2005, the benefit amount for each displaced household will be \$2,462 per household; provided that, if the Joint Recommendations Committee (JRC) of the King County Consortium adjusts the benefit amount in accordance with King County Consortium Supplemental Relocation Guidelines based on changes in the consumer price index, the increased benefit amount shall apply. All tenants selected for relocation shall be given formal notification regarding the need to relocate with a minimum of 90 days notice of the date they must relocate, along with information about why they were selected. Consideration of a longer notice period may be required if the tenant demonstrates a special circumstance (for instance, health reasons) which would be alleviated by extending the notice period. A list of all displaced households, including name, unit number, household size, ethnicity, and monthly gross income shall be provided to the King County Relocation Specialist along with documentation of all the payments made to displaced tenants. All relocation costs shall be included in the project development budget

**B. Federal Acquisition and Relocation Requirements:**

Implementation of any project provided for in this Contract will be undertaken so as to minimize involuntary displacement of persons, businesses, nonprofit organizations, or farms to the greatest extent feasible.

The Contractor shall comply with the following:

1. Any acquisition of real property by the Contractor for any activity assisted under this Contract shall comply with the Uniform Relocation Act and 49 CFR Part 24;
2. Any displacement of persons, businesses, nonprofit organizations, or farms occurring as the result of acquisition of real property assisted under this Contract shall comply with the Uniform Relocation Act, at 24 CFR Part 42 and 49 CFR Part 24 as amended, and the County's Residential Anti-displacement and Relocation Assistance Plan required by federal regulations at 24 CFR § 570.606(c), and adopted by the County Council as part of the HCD Plan. The Contractor shall comply with the Regulations pertaining to costs of relocation and written policies, as specified by the King County Residential Anti-displacement and Relocation Assistance Plan; and

3. When any lower-income dwelling units are demolished or converted to a use other than a lower-income dwelling unit, in connection with an activity assisted under this Contract with federal funds, the units must be replaced on a one-for-one basis. Lower-income dwelling units are defined as a dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent for existing housing as established by HUD and published annually, pursuant to 24 CFR Part 888. The Contractor must comply with the one-for-one replacement of housing requirements of Section 104(d) of the HCD Act, as amended. The implementing regulations are found at 24 CFR Part 42, and for CDBG funds at 24 CFR § 570.606.

**XLII. PROPERTY MANAGEMENT FOR CAPITAL PROJECTS**

The Contractor shall engage in sound property and program management practices and at all times operate and maintain the Premises in a manner which fully complies with all applicable federal, state, and local laws, statutes, rules and regulations covering health and safety issues in order to provide decent, safe and sanitary housing, as now in effect or as may be hereafter amended. The Contractor specifically agrees to comply and pay all costs associated with achieving such compliance without any notice of requirement or requirements from the County, and that the County does not waive this section by giving notice of demand for compliance in any instance.

The Contractor shall throughout the term of this Contract, without cost or expense to the County, keep and maintain the Premises and all improvements, landscaping, fixtures and equipment which may now or hereafter exist thereon, in a neat, clean and sanitary condition, and shall, except for reasonable wear and tear, at all times preserve the Premises in good and safe repair.

If, after 30 days notice from the County, the Contractor fails to maintain or repair any part of the Premises or any improvement, landscaping, fixtures or equipment thereon, the County may, but shall not be obligated to, enter upon Premises and perform such maintenance or repair and the Contractor agrees to pay the costs thereof to the County upon receipt of a written demand.

**XLIII. TAXES AND LICENSES**

The Contractor shall pay throughout the term of this Contract, all applicable taxes, and all licenses and excise fees covering the ownership and operations of the Premises.

**XLIV. PROCEDURE IN THE EVENT OF CASUALTY/CONDEMNATION FOR CAPITAL PROJECTS**

- A. In the event that all or any portion of the Premises is taken or conveyed as a result of any condemnation proceeding or damaged as a result of any casualty, the County and the Contractor agree that the proceeds of any condemnation or casualty affecting the Premises shall be made available for the repair or restoration of the real property if the County and the Contractor in their reasonable judgment agree that:
  1. Repair or restoration of the real property is feasible and that sufficient funds are available to complete such work;
  2. After the completion of work, the real property can be feasibly operated within the restrictions and requirements of the Project/Program Exhibit; and

- 3. More than two years remain after the completion of the work until the end of this Contract.
- B. The County and the Contractor shall meet as necessary to discuss in good faith the rebuilding or repair of the real property and reach a decision with respect thereto within 60 days after the occurrence of the casualty or condemnation.
- C. If the parties cannot in good faith agree to repair or restore the real property as provided above, then any proceeds of the casualty or condemnation, within 60 days of demand, shall be paid first to satisfy the County's lien. The balance of the proceeds shall be paid to the Contractor.

IN WITNESS HEREOF, the parties hereto have caused this contract to be executed and instituted on the date above written.

**KING COUNTY:**

**CITY OF REDMOND:**

DocuSigned by:  
*Adrienne Quinn*  
 CC5E71A6B92B4B8  
 \_\_\_\_\_ FOR  
 King County Executive  
 9/15/2014  
 \_\_\_\_\_  
 Date

DocuSigned by:  
*John Marchione*  
 9D9E02AEA09F402...  
 \_\_\_\_\_  
 Signature  
 John Marchione  
 \_\_\_\_\_  
 Name (Please type or print)  
 9/11/2014  
 \_\_\_\_\_  
 Date

Approved by DCHS Director

Approved as to Form: November 2013,

OFFICE OF THE KING COUNTY  
PROSECUTING ATTORNEY

APPROVED AS TO FORM:

DocuSigned by:  
*James E. Haney* 9/2/2014  
 E3A9FBAD9D8A430...  
 \_\_\_\_\_  
 City Attorney

FE1E9C9B0C2B4FA  
*Michael E. Bailey* 11/2014  
 DocuSigned By: Michael E. Bailey

ATTEST:  
 DocuSigned by:  
*Michelle Hart* 9/12/2014  
 23D3E7AFB93A457...  
 \_\_\_\_\_  
 City Clerk



## COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PUBLIC ENTITIES XTEND ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**GENERAL DESCRIPTION OF COVERAGE** – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- |  |   |
|--|---|
| <p><b>A. Reasonable Force Property Damage – Exception To Expected Or Intended Injury Exclusion</b></p> <p><b>B. Non-Owned Watercraft 50 Feet Long Or Less</b></p> <p><b>C. Owned Watercraft Less Than 25 Feet</b></p> <p><b>D. Aircraft Chartered With Pilot</b></p> <p><b>E. Damage To Premises Rented To You</b></p> <p><b>F. Increased Supplementary Payments</b></p> <p><b>G. Who Is An Insured – Public Entities, Elected Or Appointed Officials, And Members Of Your Boards</b></p> <p><b>H. Who Is An Insured – Employees And Volunteer Workers</b></p> <p><b>I. Who Is An Insured – Newly Acquired Or Formed Organizations</b></p> <p><b>J. Blanket Additional Insured – Owners, Managers Or Lessors Of Premises</b></p> | <p><b>K. Blanket Additional Insured – Lessors Of Leased Equipment</b></p> <p><b>L. Blanket Additional Insured – Persons Or Organizations For Your Ongoing Operations As Required By Written Contract Or Agreement</b></p> <p><b>M. Who Is An Insured – Liability For Conduct Of Unnamed Partnerships, Joint Ventures Or Limited Liability Companies</b></p> <p><b>N. Good Samaritan Services Coverage – Amendment of Occurrence Definition and Each Occurrence Limit</b></p> <p><b>O. Contractual Liability – Railroads</b></p> <p><b>P. Knowledge And Notice Of Occurrence Or Offense</b></p> <p><b>Q. Unintentional Omission</b></p> <p><b>R. Blanket Waiver Of Subrogation</b></p> |
|--|---|

### **PROVISIONS**

**A. REASONABLE FORCE PROPERTY DAMAGE – EXCEPTION TO EXPECTED OR INTENDED INJURY EXCLUSION**

The following replaces Exclusion a., **Expected Or Intended Injury**, in Paragraph 2., of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

**a. Expected Or Intended Injury Or Damage**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect any person or property.

**B. NON-OWNED WATERCRAFT 50 FEET LONG OR LESS**

1. The following replaces Paragraph (2) of Exclusion g., Aircraft, Auto Or Watercraft, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

(2) A watercraft you do not own that is:

- (a) Fifty feet long or less; and
- (b) Not being used to carry any person or property for a charge.

2. The following is added to Paragraph 2. of **SECTION II – WHO IS AN INSURED**:

Any person or organization that, with your express or implied consent, either uses or is re-

## COMMERCIAL GENERAL LIABILITY

sponsible for the use of a watercraft that you do not own that is:

- (1) Fifty feet long or less; and
- (2) Not being used to carry any person or property for a charge.

**C. OWNED WATERCRAFT LESS THAN 25 FEET**

1. The following is added to Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

This exclusion does not apply to a watercraft you own that is:

- (a) Less than 25 feet long; and
- (b) Not being used to carry any person or property for a charge.

2. The following is added to Paragraph 2. of **SECTION II – WHO IS AN INSURED**:

Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you own that is:

- (1) Less than 25 feet long; and
- (2) Not being used to carry any person or property for a charge.

**D. AIRCRAFT CHARTERED WITH PILOT**

- The following is added to Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

This exclusion does not apply to an aircraft that is:

- (a) Chartered with a pilot to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

**E. DAMAGE TO PREMISES RENTED TO YOU**

1. The first paragraph of the exceptions in Exclusion j., **Damage To Property**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is deleted.
2. The following replaces the last paragraph of Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Exclusions c., g. and h., and Paragraphs (1), (3) and (4) of Exclusion j., do not apply to

"premises damage". Exclusion f.(1)(a) does not apply to "premises damage" caused by fire unless Exclusion f. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by another endorsement to this Coverage Part that has Exclusion - All Pollution Injury Or Damage or Total Pollution Exclusion in its title. A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

3. The following replaces Paragraph 6. of **SECTION III – LIMITS OF INSURANCE**:

6. Subject to 5. above, the **Damage To Premises Rented To You Limit** is the most we will pay under Coverage A for damages because of "premises damage" to any one premises.

The **Damage To Premises Rented To You Limit** will be:

- a. The amount shown for the **Damage To Premises Rented To You Limit** on the **Declarations** of this Coverage Part; or
- b. \$100,000 if no amount is shown for the **Damage To Premises Rented To You Limit** on the **Declarations** of this Coverage Part.

4. The following replaces Paragraph a. of the definition of "insured contract" in the **DEFINITIONS** Section:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";

5. The following is added to the **DEFINITIONS** Section:

"Premises damage" means "property damage" to:

- a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or
- b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

6. The following replaces Paragraph 4.b.(1)(b) of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

(b) That is insurance for "premises damage"; or

## COMMERCIAL GENERAL LIABILITY

7. Paragraph 4.b.(1)(c) of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted.

## F. INCREASED SUPPLEMENTARY PAYMENTS

1. The following replaces Paragraph 1.b. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I – COVERAGES:

b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. The following replaces Paragraph 1.d. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I – COVERAGES:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

## G. WHO IS AN INSURED – PUBLIC ENTITIES, ELECTED OR APPOINTED OFFICIALS, AND MEMBERS OF YOUR BOARDS

1. The following is added to Paragraph 1. of SECTION II – WHO IS AN INSURED:

If you are designated in the Declarations as a public entity, you are an insured. Your lawfully elected or appointed officials, "executive officers" or directors are also insureds, but only with respect to their duties as your elected or appointed officials, "executive officers" or directors. Members of "your boards" are also insureds, but only with respect to their duties for you or "your boards". However, none of these officials, "executive officers", directors or members are insureds for:

- a. "Bodily injury" or "personal injury":

(1) To you or to any of your "employees" while in the course of his or her employment or performing duties related to the conduct of your business or to any of your "volunteer workers" while performing duties related to the conduct of your business;

(2) To the spouse, child, parent, brother or sister of that "employee" or "volunteer worker" as a consequence of Paragraph a.(1) above;

(3) To any fellow elected or appointed official, "executive officer" or director, or fellow member of "your boards";

(4) To the spouse, child, parent, brother or sister of that fellow official, "executive officer", director or member as a consequence of Paragraph a.(3) above; or

(5) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs a.(1), (2), (3) or (4) above.

Unless you are in the business or occupation of providing "professional health care services", Paragraphs a.(1), (2), (3), (4) and (5) above do not apply to "bodily injury" arising out of providing or failing to provide "Good Samaritan services" by any of your elected or appointed officials, "executive officers" or directors, or any members of "your boards", other than a nurse or doctor. Any such elected or appointed officials, "executive officers" or directors providing or failing to provide "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their duties for you. Any such members of "your boards" providing or failing to provide "Good Samaritan services" during their work hours for "your boards" will be deemed to be acting within the scope of their duties for you or "your boards".

- b. "Property damage" to property:

(1) Owned, occupied or used by;

(2) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees" or "volunteer workers", or that official, "executive officer", director or member.

Any of your lawfully elected or appointed officials, "executive officers", directors or members of "your boards" appointed at your request to serve with an outside tax exempt entity will be deemed to be acting within the scope of their duties for you.

2. The following replaces the first sentence of Paragraph 1.d. of SECTION II – WHO IS AN INSURED:

COMMERCIAL GENERAL LIABILITY

An organization other than a public entity, partnership, joint venture or limited liability company, you are an insured.

- 3. The following is added to the DEFINITIONS Section:

"Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

"Your boards":

- a. Means any board, commission, or other governmental unit or department that:
(1) Is under your jurisdiction; and
(2) Is funded and operated as part of your total operating budget.
b. Does not include any "joint powers authority."

"Joint powers authority" means any organization formed by two or more public entities that have agreed in a contract or agreement to jointly exercise any power common to them.

H. WHO IS AN INSURED - EMPLOYEES AND VOLUNTEER WORKERS

- 1. The following replaces the first sentence of Paragraph 2.a. of SECTION II - WHO IS AN INSURED:

a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a public entity, partnership, joint venture, limited liability company or trust) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

- 2. The following is added to Paragraph 2.a. of SECTION II - WHO IS AN INSURED:

Any of your "employees" appointed at your request to serve with an outside tax exempt entity will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- 3. The following is added to Paragraph 2.a.(1) of SECTION II - WHO IS AN INSURED:

Unless you are in the business or occupation of providing "professional health care services", Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising

out of providing or failing to provide "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer nurse or doctor. Any such "employees" or "volunteer workers" providing or failing to provide "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

I. WHO IS AN INSURED - NEWLY ACQUIRED OR FORMED ORGANIZATIONS

The following replaces Paragraph 4. of SECTION II - WHO IS AN INSURED:

- 4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, of which you are the sole owner or in which you maintain the majority ownership interest, will qualify as a Named Insured if there is no other insurance which provides similar coverage to that organization. However:

- a. Coverage under this provision is afforded only:

(1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or

(2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organization, if you report such organization in writing to us within 180 days after you acquire or form it, and we agree in writing that it will continue to be a Named Insured until the end of the policy period;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

J. BLANKET ADDITIONAL INSURED - OWNERS, MANAGERS OR LESSORS OF PREMISES

The following is added to SECTION II - WHO IS AN INSURED:

## COMMERCIAL GENERAL LIABILITY

Any person or organization that is a premises owner, manager or lessor is an insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of any premises leased or loaned to you.

The insurance provided to such premises owner, manager or lessor does not apply to:

- a. Any "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after you cease to be a tenant in or to borrow that premises; or
- b. Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.

**K. BLANKET ADDITIONAL INSURED – LESSORS OF LEASED EQUIPMENT**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is an equipment lessor is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by your acts or omissions in the maintenance, operation or use by you of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after the equipment lease expires.

**L. BLANKET ADDITIONAL INSURED – PERSONS OR ORGANIZATIONS FOR YOUR ONGOING OPERATIONS AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT**

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is not otherwise an insured under this Coverage Part and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

- a. Is "bodily injury" or "property damage" caused by an "occurrence" that takes place, or is "personal injury" or "advertising injury" caused by an offense that is committed, after you

have signed and executed that contract or agreement; and

- b. Is caused, in whole or in part, by your acts or omissions in the performance of your ongoing operations to which that contract or agreement applies or the acts or omissions of any person or organization performing such operations on your behalf.

The limits of insurance provided to such insured will be the limits which you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

**M. WHO IS AN INSURED – LIABILITY FOR CONDUCT OF UNNAMED PARTNERSHIPS, JOINT VENTURES OR LIMITED LIABILITY COMPANIES**

The following replaces the last paragraph of **SECTION II – WHO IS AN INSURED**:

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

**N. GOOD SAMARITAN SERVICES COVERAGE – AMENDMENT OF OCCURRENCE DEFINITION AND EACH OCCURRENCE LIMIT**

- 1. The following is added to the definition of "occurrence" in the **DEFINITIONS** Section:

Unless you are in the business or occupation of providing "professional health care services", "occurrence" also means an act or omission committed in providing or failing to provide "Good Samaritan services" to a person by:

- a. Any of your elected or appointed officials, "executive officers" or directors;
- b. Any member of "your boards";
- c. Any of your "employees" or "volunteer workers"; or
- d. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of watercraft to which Coverage A –Bodily Injury And Property Damage Liability applies; other than a nurse or doctor.

- 2. The following is added to Paragraph 5. of **SECTION III – LIMITS OF INSURANCE**:

## COMMERCIAL GENERAL LIABILITY

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed by:

- a. Any of your elected or appointed officials, "executive officers" or directors;
- b. Any member of "your boards";
- c. Any of your "employees" or "volunteer workers"; or
- d. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of watercraft to which Coverage A –Bodily Injury And Property Damage Liability applies;

in providing or failing to provide "Good Samaritan services" to any one person will be deemed to be one "occurrence".

### O. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph c. of the definition of "insured contract" in the DEFINITIONS Section:
  - c. Any easement or license agreement;
2. Paragraph f.(1) of the definition of "insured contract" in the DEFINITIONS Section is deleted.

### P. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

The following is added to Paragraph 2., Duties In The Event of Occurrence, Offense, Claim or Suit, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

- e. The following provisions apply to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
  - (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your lawfully elected or appointed officials, "executive officers" or directors (if you are a public entity), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your trustees who is an individual (if you are a trust), any of your "executive officers" or directors (if you are an organization other than a public entity, partnership, joint venture, limited liability company or trust) or any "employee" author-

ized by you to give notice of an "occurrence" or offense.

- (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:

(a) Any individual who is:

- (i) A lawfully elected or appointed official, "executive officer" or director of any public entity;
- (ii) A partner or member of any partnership or joint venture;
- (iii) A manager of any limited liability company;
- (iv) A trustee of any trust; or
- (v) An executive officer or director of any other organization;

that is your partner, joint venture member, manager or trustee; or

- (b) Any "employee" authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.

- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraphs e. (1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.

However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.

COMMERCIAL GENERAL LIABILITY

**Q. UNINTENTIONAL OMISSION**

The following is added to Paragraph 6., **Representations**, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

**R. BLANKET WAIVER OF SUBROGATION**

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**,

of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" caused by an "occurrence" that takes place; or
- b. "Personal injury" or "advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

**EXHIBIT II  
CITY OF REDMOND  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ADMINISTRATION (C14216)**

Contract No.: 5677428	Project No.: C14216-1122968
King County Project Manager: Kathy Tremper	City Contact Person: Alaric Bien
Start Date: January 1, 2014	Telephone: (425) 556-2458
End Date: December 31, 2014	Email: abien@redmond.gov

**I. WORK STATEMENT**

The agency known as the City of Redmond (hereinafter referred to as "the Contractor") shall utilize King County Community Development Block Grant (CDBG) funds to perform the activities specified below. The Catalog of Federal Domestic Assistance (CFDA) number for the CDBG Program is 14.218. Such activities shall be provided in a manner fully compliant with all applicable federal, state and local laws, statutes, rules and regulations, as are now in effect or hereafter may be amended. The Contractor shall be compensated for the provision of such services in an amount not to exceed \$25,184 in CDBG funds during the contract period January 1, 2014 through December 31, 2014.

**II. PROGRAM DESCRIPTION**

The Contractor shall undertake, or assist in undertaking, activities which further the development of viable urban communities, including the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and-moderate income, through community renewal and lower income housing assistance activities, funded from 2014 CDBG funds, from recaptured funds and from any program income generated from the expenditure of such funds.

**A. Definitions**

1. "New stand-alone capital project" means a project that requires the establishment of a new Housing and Urban Development (HUD) Integrated Disbursement and Information System (IDIS) activity number, as opposed to an existing project where supplemental funding is being added.
2. "Stand-alone public service project" means a project that has not been funded by the sub-regional process utilized by those non-entitlement consortium cities signing the King County Consortium Interlocal Cooperation Agreement for the CDBG Program in the applicable program year. The Contractor's stand-alone public service project may include more than one subcontract as long as only one HUD IDIS activity number is required and the Contractor submits all information, reports and invoices to the County as one project.

**B. Program Requirements**

The Contractor shall use CDBG funds to plan and administer the Contractor's CDBG projects in accordance with the CDBG Consortium Joint Agreement. The Contractor agrees to perform the following:

1. The Contractor shall cooperate in the development of the Consolidated Housing and Community Development Plan and related plans.

2. The Contractor shall bear all responsibility for local annual program planning, using financial projections that shall be provided by the County. The Contractor shall ensure that:
  - a. All selected projects are an eligible activity, meet a national objective, and are consistent with the Consolidated Plan and all applicable Joint Recommendations Committee (JRC) policies;
  - b. Project applications shall be accompanied by records required to document compliance with CDBG Program Regulations, and Consolidated Plan policies applicable to each project. Such records include, but are not limited to, those required by 24 Code of Federal Regulations (CFR) Part 570.208 to document the national objective for each project. These records shall be submitted to the County by September 29, 2014, along with a completed Form No. 1 Summary Sheet identifying estimated funding amounts for awarded project activities;
  - c. The public participation requirements are met and documented and certification of such shall be provided to the County;
  - d. All requested information by the County shall be submitted in a timely manner that allows the County enough time to meet HUD timelines;
  - e. Changes to the local program that require the County to amend budget amounts and/or submit an amendment to the Annual Action Plan after it has been submitted to HUD shall only be accepted November through June. Budget amendments received by the fifth day of the month shall be effective on the first day of the next month; and
  - f. The Contractor shall ensure the County receives all required security documents related to funded capital project activities (this includes non-profit agencies which have been awarded funds) prior to the execution of a contract between the awarded agency and the County in order to incorporate said documents into the contractual agreement.
3. Contractor staff shall implement CDBG-funded human service projects within the program year and submit both vouchers and required reports to the County in a complete and timely manner. Prior to the first and last payment on capital projects, exclusive of Housing Repair and acquisition, pre-approval must be received from County staff that federal labor requirements have been met.
4. Contractor legislative bodies shall approve or disapprove via motion or resolution all CDBG activities, locations, and allocations submitted by Joint Agreement City staff.

5. The Contractor shall monitor performance under any subcontract. Monitoring shall be completed once every two years at a minimum, and shall include reviewing subcontracted agencies' (hereinafter "Implementing Agency") records to ensure compliance with the subcontract provisions required under Section XXIX., SERVICES PROVIDED IN ACCORDANCE WITH LAW AND RULE AND REGULATION, of the Contract, and the record-keeping provisions required under Section IV.A of each Service Project Exhibit. The Contractor shall submit a copy of each monitoring report to the County with its Final Voucher Request of the year monitoring occurs.

6. Conflict of Interest

a. Interest of Officers, Employees, or Agents - No officer, consultant, elected or appointed official, employee, or agent of the Contractor who exercises any functions or responsibilities in connection with the planning and carrying out of the Block Grant Program, 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 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.

b. Interest of Subcontractor and Their Employees - The Contractor agrees that it shall incorporate into every subcontract required to be in writing and made pursuant to this Exhibit the following provisions:

The Implementing Agency covenants that no person who presently exercises any functions or responsibilities in connection with the Block Grant Program, has any personal financial interest, direct or indirect, in this Contract. The Implementing Agency further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Implementing Agency further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. Any interest on the part of the Implementing Agency or its employees must be disclosed to the Contractor and the County.

7. Copyright

If this Contract results in any copyrightable material, King County reserves the right to royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work for governmental purposes.

8. Public Information

In all news releases and other public notices related to projects funded under this Agreement, the Contractor and any subcontracted Contractor shall include information identifying the source of funds as the King County CDBG Consortium Program.

9. Separation of Funds

The Contractor shall not use year 2014 funds identified in the Project Budget above to pay for any costs incurred prior to January 1, 2014, or the date on which the County's Environmental Record is complete, whichever date is later.

10. Subcontracted Services

- a. In addition to the requirements of Section XX., SUBCONTRACTS AND PURCHASES, of the Contract, the Contractor shall execute written agreements with each agency with which it subcontracts to provide services and shall incorporate into such subcontracts the following applicable provisions of this Exhibit: Section II.B., Program Requirements.
- b. The Contractor shall invoice the County for due and payable invoices of the Implementing Agency or for costs paid by the Contractor for goods, materials or services already provided. The Contractor shall invoice the County after the Implementing Agency has invoiced the Contractor. The Contractor shall include a copy of the Implementing Agency's invoice with its invoice submitted to the County. The Contractor shall ensure that all costs for which the Implementing Agency requests reimbursement are allowable in accordance with the Office of Management and Budget 2 Code of Federal Regulations (CFR) 230 (formerly OMB Circular A-122) or 2 CFR 225 (formerly OMB Circular A-87), as applicable.
- c. The Contractor shall implement the project within the program year and submit both vouchers and required reports to the County in a complete and timely manner but no later than January 15, 2015.

**III. COMPENSATION AND METHOD OF PAYMENT**

A. Billing Invoice Requirements

1. The first, second and third Billing Invoice Package is due within 20 working days after the end of each quarter.
2. The Contractor shall submit to the County its final invoice in accordance with Section V., COMPENSATION AND METHOD OF PAYMENT, of the Contract on a CDBG Program Voucher Reimbursement Request Form provided by the County. Such forms shall be signed by an authorized representative of the Contractor.
3. The quarterly voucher invoice shall be accompanied by all reports required by Section IV., REPORTING REQUIREMENTS, of this Exhibit, which fall due during the billing period.

B. Method of Payment

The Contractor shall be paid 25 percent, or \$6,296 for each quarter of the total Exhibit compensation, subject to the terms in Section V., COMPENSATION AND METHOD OF PAYMENT, of the Contract, and the following terms and conditions.

1. The Contractor shall submit a Billing Invoice Package quarterly that consists of an invoice statement and other reporting requirements as stated in Section IV., REPORTING REQUIREMENTS, of this Exhibit in a format approved by the County.
2. All required reports must accompany the invoice statement in order to receive payment.
3. An Accrual Letter must be received by December 10, 2014, stating the anticipated amount of the final invoice.
4. Final voucher reimbursement request shall be submitted by January 15, 2015, with all required supporting documentation and reports.

C. The Contractor shall apply the following County funds to the project in accordance with the Line Item Budget below. The total amount of reimbursement pursuant to this Exhibit shall not exceed \$25,184.

1. CDBG Funds

King County CDBG— 2014 Joint Agreement City Funds, CDFA 14.218	\$25,184
<b>Total CDBG Funds</b>	<b>\$25,184</b>

2. Line Item Budget

Personnel Services (detail below)	\$25,184
Office or Operating Supplies	\$ 0
Consultant or Purchased Services	\$ 0
Communications	\$ 0
Travel and Training	\$ 0
Other (specific below)	\$ 0
<b>Total CDBG Funds</b>	<b>\$25,184</b>

3. Personnel Detail

Position Title	Position Full Time Equivalent	Annual Salary and Benefits	CDBG Funds
Senior Human Services Planner	13.64% FTE	\$139,503	\$19,031
Senior Human Services Planner	1.99% FTE	\$89,312	\$ 1,780
Assistant Planning Director	2.69% FTE	\$162,421	\$ 4,373
<b>Total</b>			<b>\$25,184</b>

#### **IV. REPORTING REQUIREMENTS**

##### **A. Records**

In addition to the records required by Section X., MAINTENANCE OF RECORDS, of the Contract, the Contractor shall maintain files containing the following items for this project:

1. Motions, resolutions, and minutes documenting City Council actions relating to the Contractor's CDBG Pass-through funds;
2. Correspondence regarding Notice To Proceed on CDBG funded activities;
3. Correspondence regarding budget revision requests;
4. Copies of all invoices and reports submitted to the County;
5. Bills for payment;
6. Copies of approved invoices and warrants;
7. Documentation of the solicitation process used to select vendors and subcontractors with original purchase orders and subcontracts;
8. Documentation required by this Contract if any funds provided under this Exhibit are used to acquire equipment;
9. Records documenting that costs reimbursed with funding provided under this Exhibit are allowable in accordance with OMB Circular A-87. Such records shall include, but are not limited to:
  - a. Personnel costs, payroll time sheets for actual salary and fringe benefit costs, time sheets signed by a supervisor and, if less than full time, annotated to document percent of time charged against this project;
  - b. Staff travel, documentation of mileage charges for private auto; and
  - c. Copy machine use, postage, telephone use, and office supplies when these costs are shared with other programs and no invoice is available, log sheets or annotated invoices.

##### **B. Reports**

The Contractor shall complete and submit the following reports:

1. A completed Program Accomplishment Form for each quarter in a format provided by the County.

## 2. Program requirement reports as follows:

Quarter	Milestones
1 <sup>st</sup> Quarter 2014: January–March	2013 Project Completion Forms for Consolidated Annual Performance and Evaluation Report (CAPER); JAC HCD Forms 6 and 7
2 <sup>nd</sup> Quarter: April-June	Provide 1st Quarter Vouchers, Reports and Updates; Coordinate with County on Preparation of Updated Consolidated Plan Deadline for Amendments – May 15, 2014
3 <sup>rd</sup> Quarter: July–September  Due by September 29, 2014  Late September/early October	Provide 2nd Quarter Vouchers, Reports and Updates; Coordinate with County on Preparation of Updated Consolidated Plan Provide County with 2015 CDBG allocations, supporting documents: JAC HCD Forms 0 through 5 for 2015 Action Plan County to perform site visit – prepare sub-recipient documentation for Monitoring
4 <sup>th</sup> Quarter: October–December  Due by December 10, 2014	Provide 3rd Quarter Vouchers, Reports and Updates; Coordinate with County on Preparation of Updated Consolidated Plan "Estimated Invoice" for 2014 Administrative and Public Service expenditures
1 <sup>st</sup> Quarter 2015 Due by January 15, 2015	1) Deadline for final voucher, reports and Project Monitoring Report(s) 2) 2014 Project Completion Forms for Consolidated Annual Performance and Evaluation Report (CAPER); JAC HCD Forms 6 and 7

**EXHIBIT III  
CITY OF REDMOND  
REDMOND CONGREGATIONS FOR THE HOMELESS EASTSIDE WINTER SHELTER (C14802)**

Contract No.: 5677428	Project No.: C14802-1122993
King County Project Manager: Kathy Tremper	City Contact Person: Alaric Bien
Start Date: January 1, 2014	Telephone: (425) 556-2458
End Date: December 31, 2014	Email: abien@redmond.gov

**I. WORK STATEMENT**

The Contractor shall provide funds for supportive services and operation of a winter shelter for homeless individuals on the Eastside and in accordance with the terms and conditions described hereinafter. The total amount of reimbursement pursuant to this Exhibit shall not exceed \$25,184 in King County Community Development Block Grant (CDBG) funds for the period January 1, 2014 through December 31, 2014. The Catalog of Federal Domestic Assistance (CFDA) number for the CDBG Program is 14.218.

**II. PROGRAM DESCRIPTION**

**A. Outcome**

The Contractor shall use CDBG funds to support a shelter for homeless men. These activities address the following Objective and Outcomes in the Community Planning and Development (CPD) Outcome Performance Measurement System: Suitable Living Environment - Accessibility for the purpose of creating suitable living environments.

**B. Indicators**

The number of unduplicated persons who receive supportive services through the shelter.

**C. Eligibility**

1. Records shall be maintained that provide income information based on the following chart. Income level does not prevent seniors from receiving services rendered through these funds.
2. Clients shall self-certify in writing that their family income does not exceed the applicable limit.

2014 HUD INCOME GUIDELINES			
<i>Median Family Income = \$88,200 January 1, 2014</i>			
FAMILY SIZE	30% MEDIAN VERY LOW-INCOME	50% MEDIAN LOW- INCOME	80% MEDIAN MODERATE- INCOME
1	\$18,550	\$30,900	\$44,750
2	\$21,200	\$35,300	\$51,150
3	\$23,850	\$39,700	\$57,550
4	\$26,450	\$44,100	\$63,900
5	\$28,600	\$47,650	\$69,050
6	\$30,700	\$51,200	\$74,150
7	\$32,800	\$54,700	\$79,250
8	\$34,950	\$58,250	\$84,350

3. The definition of family shall include all persons living in the same household who are related by birth, marriage or adoption and includes dependent children living away from home. The definition of income includes all sources of income required to be reported on Internal Revenue Service Form 1040.
4. Services provided with funding under this Exhibit shall be limited to residents of Redmond.

D. Definitions

“Emergency shelter unit night” is defined as the provision of emergency shelter for an eligible household for a period of up to 24 hours.

E. Program Requirements

The Contractor shall use CDBG funds to provide 1,000 bednights to 100 unduplicated persons, 880 day center drop in services to single adult men, and 40 outreach contacts in the community through a subcontract with Congregations for the Homeless.

1. The Contractor agrees to serve, at minimum, the following unduplicated number of persons with funds provided under this Exhibit:

	1st Qtr Jan–Mar	2nd Qtr Apr–Jun	3rd Qtr Jul–Sep	4th Qtr Oct–Dec	Total in Year 2014
Number of unduplicated persons	0	0	0	100	100

2. The Contractor agrees to provide, at minimum, the following units of service:

	1st Qtr Jan–Mar	2nd Qtr Apr–Jun	3rd Qtr Jul–Sep	4th Qtr Oct–Dec	Total in Year 2014
Emergency shelter unit night	0	0	0	1,000	1,000

3. The Contractor agrees to provide, at minimum, the following units of service:

	1st Qtr Jan–Mar	2nd Qtr Apr–Jun	3rd Qtr Jul–Sep	4th Qtr Oct–Dec	Total in Year 2014
Day Center Drop In Services	220	220	220	220	880

4. The Contractor agrees to provide, at minimum, the following units of service:

	1st Qtr Jan–Mar	2nd Qtr Apr–Jun	3rd Qtr Jul–Sep	4th Qtr Oct–Dec	Total in Year 2014
Outreach Contacts	10	10	10	10	40

The funds provided under this Exhibit shall be used to pay for a portion of the costs associated with the provision of these units of service.

F. Conflict of Interest

1. Interest of Officers, Employees, or Agents: No officer, consultant, elected or appointed official, employee, or agent of the Contractor or Agency who exercises any functions or responsibilities in connection with the planning and

carrying out of the Block Grant Program, 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 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. Interest of Subcontractor and Their Employees: The Contractor agrees that it shall incorporate into every subcontract required to be in writing and made pursuant to this Agreement the following provisions:

The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Block Grant Program has any personal financial interest, direct or indirect, in this Contract. The Contractor further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in the performance of this Contract no person having any conflicting interest will be employed. Any interest on the part of the Contractor or its employees must be disclosed to the Agency and the County.

3. Copyright

If this Contract results in any copyrightable material, King County reserves the right to royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work for governmental purposes.

4. Public Information

In all news releases and other public notices related to projects funded under this Agreement, the Contractor shall include information identifying the source of funds as the King County-Redmond CDBG Program.

5. Subcontracted Services

- a. In addition to the requirements of Section XX. SUBCONTRACTS AND PURCHASES, of the Contract, the Contractor shall execute written agreements with each agency with which it subcontracts to provide services (hereinafter "Implementing Agency") and shall incorporate into such subcontracts the following applicable provisions of this Exhibit: Section II.E., Program Requirements.
- b. The Contractor shall invoice the County for due and payable invoices of the Implementing Agency or for costs paid by the Contractor for goods, materials or services already provided. The Contractor shall invoice the County after the Implementing Agency has invoiced the Contractor. The Contractor shall include a copy of the Implementing Agency's invoice with its invoice submitted to the County. The Contractor shall ensure that all costs for which the Implementing Agency requests reimbursement are allowable in accordance with the Office of Management and Budget 2 Code of Federal Regulations (CFR) 230 (formerly OMB Circular A-122) or 2 CFR 225 (formerly OMB Circular A-87), as applicable

6. Special conditions - Separation of Funds

The Contractor may not use year 2014 funds identified in the Project Budget above to pay for any costs incurred prior to January 1, 2014, or the date on which the County's Environmental Record is complete, whichever date is later.

G. Records

The Contractor shall maintain files for this Exhibit containing the following items:

1. Notice of Grant Award;
2. Motions, resolutions, or minutes documenting Board or Council actions;
3. A copy of this Exhibit and the County's notice to proceed on this Exhibit;
4. Correspondence regarding budget revision requests;
5. Copies of all invoices and reports submitted to the County for this Exhibit;
6. Bills for payment;
7. Copies of approved invoices and warrants;
8. Documentation of the solicitation process used to select vendors and subcontractors with original purchase orders and subcontracts;
9. Documentation required by this Contract if any funds provided under this Exhibit are used to acquire equipment;
10. Records documenting that costs reimbursed with funding provided under this Exhibit are allowable in accordance with OMB Circular A-87. Such records include, but are not limited to:
  - a. Personnel costs, payroll time sheets for actual salary and fringe benefit costs (time sheets shall be signed by a supervisor and, if less than full time, annotated to document percent of time charged against this Exhibit);
  - b. Staff travel, documentation of mileage charges for private auto; and
  - c. Copy machine use, postage, telephone use, and office supplies.

H. Reports

1. The Contractor shall collect and report client information to the County quarterly and annually on a Program Accomplishment Form provided by the County.
2. The Contractor shall submit with the final invoice a Completed Project Funding Report Form provided by the County, itemizing all funding used for the Exhibit.

**III. COMPENSATION AND METHOD OF PAYMENT**

- A. The Contractor shall apply the following CDBG funds in accordance with the Line Item Budget below. The total amount of reimbursement pursuant to this program Exhibit shall not exceed \$25,184.

## 1. CDBG Funds

King County CDBG – 2014 Redmond Joint Agreement City Funds, CFDA 14.218	\$25,184
Total CDBG Funds:	\$25,184

## 2. Line Item Budget

Personnel	\$ 0
Office/Operating Supplies	\$ 0
Consultant or Purchased Services	\$25,184
Communications	\$ 0
Travel and Training	\$ 0
Other:	\$ 0
Total CDBG Funds:	\$25,184

## B. Billing Invoice Package

1. The Contractor shall submit a Billing Invoice Package quarterly that consists of an invoice statement and other reporting requirements as stated in Section IV., REPORTING REQUIREMENTS, of this Exhibit in a format approved by the County.
2. All required reports must accompany the invoice statement in order to receive payment.
3. An Accrual Letter must be received by December 10, 2014, stating the anticipated amount of the final invoice.
4. Final voucher reimbursement request shall be submitted by January 6, 2015, with all required supporting documentation and reports.

## C. Method of Payment

1. The County shall reimburse the Contractor on a quarterly basis for actual expenditures in accordance with the Line Item Budget in Section III.A.
2. Payment to the Contractor may be withheld for any quarter in which the Contractor has not submitted the reports specified in Section IV., REPORTING REQUIREMENTS, of this Exhibit, or in which said reports are incomplete.

**IV. REPORTING REQUIREMENTS**

The Contractor shall submit electronically the following data reports in a format and to an address provided by the County and hard copy with each invoice.

- A. The Contractor shall submit with each invoice a completed Program Accomplishment Form, in a format provided by the County.
- B. The Contractor shall use the following methods to measure the indicator specified in Section II. B. of this Exhibit: Number of unduplicated persons.
- C. The Contractor shall submit with the final invoice a completed Project Funding Report form itemizing all funding used for the project, in a format provided by the County.