

# PROFESSIONAL SERVICES AGREEMENT

## AGREEMENT

This Agreement is made and entered into this 28th day of September, 2015 by and between the City of Fort Bragg, a California Municipal Corporation, 416 N. Franklin Street, Fort Bragg, California, 95437 ("City"), and West Enterprise Center Inc. dba West Company, a California corporation, 760 B Stewart Street, Fort Bragg, CA 95437, ("Consultant").

## RECITALS

**WHEREAS**, City has determined that it requires the following professional services from a consultant: to provide administrative services to operate the CDBG-funded Microenterprise Assistance Program; and

**WHEREAS**, Consultant represents and warrants that it is fully qualified to perform such professional services by virtue of specialized experience and training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement; and

**WHEREAS**, the legislative body of the City on September 28, 2015, by Resolution No. \_\_\_\_\_-2015, authorized execution of this Agreement on behalf of the City in accordance with Chapter 3.20 of the City Municipal Code and/or other applicable law;

**NOW, THEREFORE**, City and Consultant, for the consideration hereinafter described, mutually agree as follows:

### 1. DESCRIPTION OF SERVICES OR SCOPE OF WORK

The services to be performed under this Agreement ("Services") are as follows: Provide Microenterprise Assistance Program operation services. The Services are further described in Consultant's proposal (the "Proposal"), which is attached to and made a part of this Agreement as Exhibit 1.

### 2. TERM

The Agreement term will commence on September 28, 2015 and expire on January 31, 2018 unless the Agreement term is amended or the Agreement is terminated in accordance with its terms.

### 3. PAYMENT TERMS AND NOT TO EXCEED AMOUNT

City agrees to pay Consultant for Services that are actually performed in accordance with this Agreement. To be eligible for payment, Consultant invoices must be submitted

not more often than monthly to the City and list the Services performed and the amounts to be paid according to the cost categories and prices in the Proposal. In no event will the City's obligation to pay the Consultant under this Agreement exceed **\$232,558** (the "Not to Exceed Amount"), unless this Agreement is first modified in accordance with its terms. Where the Proposal provides for compensation on a time and materials basis, Consultant must maintain adequate records to permit inspection and audit of Consultant's time and material charges under this Agreement. Consultant will make such records available to the City during normal business hours upon reasonable notice. In accordance with California Government Code § 8546.7, if the Not to Exceed Amount exceeds TEN THOUSAND DOLLARS (\$10,000.00), this Agreement and the Consultant's books and records related to this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of four (4) years after final payment under the Agreement.

#### 4. TIME OF COMPLETION

Consultant must commence performance of the Services upon receipt of written direction to proceed from City. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 7 below and to satisfy Consultant's obligations hereunder. Consultant will complete the Services in accordance with this Agreement by **October 31, 2017** (the "Time of Completion").

#### 5. INDEPENDENT CONTRACTOR

Consultant and City agree that the Consultant will perform the Services as an independent contractor and not as an employee or agent of the City. Persons employed or utilized by Consultant in the performance of the Services will not be employees or agents of the City. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

#### 6. SUBCONTRACTING

Consultant may subcontract portions of the Services upon the prior written approval of the City. Consultant will be solely responsible for payment of such subcontract Services. No contractual relationship will exist between any such subcontractors of the Consultant and the City.

Subcontractor agrees to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City under the Agreement. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

## 7. STANDARD OF PERFORMANCE

a. Consultant will perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession and will prepare all work products required by this Agreement in accordance with such standards. Consultant will comply with federal, state and local laws and regulations applicable to performance of the Services, including but not limited to, the California Building Standards Code as in effect in the City, the Americans with Disabilities Act, any air pollution control laws and regulations applicable to Consultant, and any laws and regulations related to any copyright, patent, trademark or other intellectual property right involved in performance of the services. Consultant's Failure to comply with any law(s) or regulation(s) applicable to the performance of the services hereunder shall constitute a material breach of this agreement.

b. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

## 8. OTHER GOVERNMENTAL REGULATIONS

To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program. Required contract provisions for Community Development Block Grant (CDBG)-Aided Consultant Contracts are attached as Exhibit 2, and said provisions are incorporated into this Agreement by reference.

## 9. USE OF RECYCLED PRODUCTS

Consultant shall endeavor to prepare and submit all reports, written studies, and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

## 10. INDEMNITY

To the maximum extent permitted by law, Consultant shall, at its own expense, indemnify, defend with counsel acceptable to the City, (which acceptance will not be unreasonably withheld), and hold harmless City and its officers, officials, employees, agents and volunteers ("Indemnitees") from and against any and all liability, loss, damage, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, claims expenses, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of or in

connection with the Services or Consultant's failure to comply with any of the terms of this Agreement, regardless of any fault or alleged fault of the Indemnitees.

The Consultant's obligation to indemnify, defend and hold harmless under this provision shall not be excused because of the Consultant's inability to evaluate Liability, or because the Consultant evaluates Liability and determines that the Consultant is not or may not be liable. The Consultant must respond within 30 calendar days to any tender for defense and indemnity by the City, unless the time for responding is extended by an authorized representative of the City in writing. If the Consultant fails to accept tender of defense and indemnity within 30 calendar days, in addition to any other remedies authorized by law, so much of the money due or that may become due the Consultant under this Agreement as shall reasonably be considered necessary by the City, may be retained by the City until disposition has been made of the matter subject to tender, or until the Consultant accepts the tender, whichever occurs first.

The Consultant waives any and all rights to express or implied indemnity against the Indemnitees concerning any Liability of the Consultant arising out of or in connection with the Services or Consultant's failure to comply with any of the terms of this Agreement .

Notwithstanding the foregoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code § 2783, as may be amended from time to time, Consultant's duty to indemnify under this provision shall not apply when to do so would be prohibited by California Civil Code § 2782, as may be amended from time to time.

Notwithstanding the foregoing, to the extent that the Services include design professional services subject to Cal. Civil Code § 2782.8, as amended from time to time, Consultant's duty to indemnify shall only be to the maximum extent permitted by Civil Code § 2782.8.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this agreement.

Consultant/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

## 11. INSURANCE

a. Before commencing performance of the Services, Consultant, at its own cost and expense, must: a) procure "occurrence coverage" insurance of the kinds and in the amounts specified below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services hereunder by the Consultant or its agents, representatives, employees, or subcontractors; and b) submit to the City certificates of insurance and endorsements evidencing insurance coverage that meets the requirements of this section. Consultant must maintain the insurance policies required by this section throughout the Agreement term. The cost of such insurance must be included in the Consultant's proposal.

Consultant agrees to include with all subcontractors in their subcontract the same requirements and provisions of this Agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the subcontractor's work. The Consultant shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in this Agreement prior to commencement of any work and Consultant will provide proof of compliance to the City.

Consultant may not allow any subcontractor to commence work on the Services until Consultant and/or the subcontractor have obtained all insurance required by this Agreement for the subcontractor(s) and submitted certificates of insurance and endorsements evidencing such coverage to City.

b. **Workers Compensation Insurance.** Consultant must, at its sole cost and expense, maintain Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. Workers' Compensation Insurance as required by the State of California, with coverage providing Statutory Limits, and Employer's Liability Insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence must be provided. The insurance must be endorsed to waive all rights of subrogation against City and its officials, officers, employees, and volunteers for loss arising from or related to the Services.

c. Consultant, at its own cost and expense, must maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, TWO MILLION DOLLARS (\$2,000,000.00) aggregate, combined single limit coverage for risks associated with Services. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

d. Except for Workers' Compensation insurance and Professional Liability insurance, all other insurance coverages required pursuant to this Agreement must include or be endorsed to include the following:

(1) City and its officials, officers, employees, agents, and volunteers ("Additional Insured") shall be covered as insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Consultant, products and completed operations of Consultant; premises owned, occupied, or used by Consultant; and automobiles owned, leased, or used by Consultant. The coverage may contain no special limitations on the scope of protection afforded to City or its officials, officers, employees, agents, or volunteers.

(2) The Additional Insured coverage under the Consultant's policy shall be "primary and non-contributory" and Consultant's coverage will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

e. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured; whichever is greater.

f. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

g. Insurance coverage required pursuant to this Agreement must include or be endorsed to include the following:

(1) Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

(2) Required insurance coverage may not be suspended, voided, canceled, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City.

h. Consultant, at its own cost and expense, must maintain for the period covered by this Agreement professional liability insurance in an amount not less than

TWO MILLION DOLLARS (\$2,000,000) covering errors and omissions. Any deductible or self-insured retention under the required professional liability insurance may not exceed \$150,000 per claim.

i. All insurance required under this Agreement must be placed with insurers with a Best's rating of no less than A:VII unless otherwise approved by the City.

j. The City may approve a variation in the foregoing insurance requirements, upon a determination that the coverages, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

k. All self-insured retentions (SIR) must be disclosed to City for approval and shall not reduce the limits of liability. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or the City. City reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

l. To the extent this Agreement is a "construction contract" as defined by California Civil Code § 2783, as may be amended from time to time, Consultant shall maintain insurance as required by this contract to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following completion of the Services. In the event Consultant fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Consultant.

## 12. NON DISCRIMINATION

During the performance of this Agreement, Consultant will not discriminate against any employee of the Consultant or applicant for employment because of race, religion, creed, color, national origin, sex, or age. Consultant will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, creed, color, national origin, sex or age.

## 13. LICENSES & PERMITS

### a. BUSINESS LICENSE

Before the City will issue a notice to proceed with the Services, Consultant and any subcontractors must acquire, at their expense, a business license from City in accordance with Chapter 5.04 of the Fort Bragg Municipal Code. Such licenses must be kept valid throughout the Agreement term.

### b. OTHER LICENSES AND PERMITS

Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions.

#### 14. OWNERSHIP OF WORK PRODUCTS AND TREATMENT OF DOCUMENTS

All plans, specifications, reports, designs and other documents prepared by Consultant pursuant to this Agreement shall be and remain the property of the City. Any modification or reuse of such documents by the City without Consultant's prior written consent will be at the City's sole risk. Except as may be otherwise required by law, Consultant will disclose no data, plans, specifications, reports or other documents pertaining to the Services without the prior written consent of City.

#### 15. TERMINATION AND REMEDIES

a. City may terminate this Agreement for convenience by giving at least 10 days written notice to Consultant specifying the termination effective date. Upon receipt of such notice, Consultant may continue performance of the Services through the date of termination. City shall pay Consultant for all Services actually performed in accordance with this Agreement through the termination effective date.

b. If Consultant materially breaches any term of this Agreement, in addition to any other remedies the City may have at law or equity, the City may:

(1) Terminate the Agreement by notice to the Consultant specifying the termination effective date;

(2) Retain, and/or recover from the Consultant at no additional cost to the City, the plans, specification, drawings, reports and other design documents and work products prepared by Consultant, whether or not completed;

(3) Complete the unfinished Services itself or have the unfinished Services completed, and/or;

(4) Charge Consultant, or deduct from monies that may be due or become due the Consultant under this Agreement, the difference between the cost of completing the unfinished Services pursuant to this Agreement and the amount that would otherwise be due Consultant had Consultant completed the Services in accordance with this Agreement.

#### 16. BINDING EFFECT AND ASSIGNMENT PROHIBITION

This Agreement is binding upon City, Consultant, and their successors. Except as otherwise provided herein, neither City nor Consultant may assign, sublet or transfer its interest in this Agreement or any part thereof without the prior written consent of the other, and any purported assignment without such consent will be void.



## 17. REPRESENTATIVES

a. City representative for purposes of this Agreement will be Jennifer Owen, Special Projects Manager. Consultant representative for purposes of this Agreement will be Pamela Patterson, CEO. The parties' designated representatives will be the primary contact persons regarding the performance of the Services. The parties intend that their designated representatives will cooperate in all matters regarding this Agreement and in such manner so as to achieve performance of the Services in a timely and expeditious fashion.

b. Notices:

Any written notice to Consultant shall be sent to:

Pamela Patterson, CEO  
West Enterprise Center Inc.  
dba West Company  
760 B Stewart Street  
Fort Bragg, CA 95437

Any written notice to City shall be sent to:

Jennifer Owen  
Special Projects Manager  
City of Fort Bragg  
416 N. Franklin Street  
Fort Bragg, California 95437

## 18. INTEGRATION AND AMENDMENT

This Agreement represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations or agreements, whether written or oral. If a discrepancy, disagreement, ambiguity, inconsistency or difference in interpretation of terms arises as to terms or provisions of this Agreement and any Exhibit(s) attached to this Agreement, this Agreement shall control and shall be deemed to reflect the intent of the Parties with respect to the subject matter hereof, except for Exhibit 2, the terms of which shall remain. This Agreement may only be amended by a writing signed by a representative authorized to bind the Consultant and a representative authorized to bind the City.

## 19. CONFLICT OF INTEREST PROHIBITION

City and Consultant will comply with the requirements of the City's Conflict of Interest Code adopted pursuant to California Government Code §87300 et seq., the Political Reform Act (California Government Code §81000 et seq.), the regulations promulgated

by the Fair Political Practices Commission (Title 2, §18110 et seq. of the California Code of Regulations), California Government Code §1090 et seq., and any other ethics laws applicable to the performance of the Services and/or this Agreement. Consultant may be required to file with the City Clerk a completed Form 700 before commencing performance of the Services unless the City Clerk determines that completion of a Form 700 is not required, pursuant to City's Conflict of Interest Code. Form 700 forms are available from the City Clerk.

Consultant may not perform Services for any other person or entity that, pursuant to any applicable law or regulation, would result in a conflict of interest or would otherwise be prohibited with respect to Consultant's obligations pursuant to this Agreement. Consultant agrees to cooperate fully with City and to provide any necessary and appropriate information requested by City or any authorized representative concerning potential conflicts of interest or prohibitions concerning Consultant's obligations pursuant to this Agreement.

Consultant may not employ any City official, officer or employee in the performance of the Services, nor may any official, officer or employee of City have any financial interest in this Agreement that would violate California Government Code §1090 et seq. Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of City. If Consultant was an employee, agent, appointee, or official of City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 et seq., the entire Agreement is void and Consultant will not be entitled to any compensation for Consultant's performance of the Services, including reimbursement of expenses, and Consultant will be required to reimburse City for any sums paid to Consultant under this Agreement. Consultant understands that, in addition to the foregoing, penalties for violating Government Code §1090 may include criminal prosecution and disqualification from holding public office in the State of California.

Any violation by Consultant of the requirements of this provision will constitute a material breach of this Agreement, and the City reserves all its rights and remedies at law and equity concerning any such violations.

## 20. APPLICABLE LAW AND VENUE

The laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and the interpretation of this Agreement. Any action or proceeding that is initiated or undertaken to enforce or interpret any provision, performance, obligation or covenant set forth in this Agreement shall be brought in a state court in Mendocino County.

## 21. RECOVERY OF ATTORNEYS' FEES

If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret any term of this Agreement, the prevailing party will be entitled to

reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

## 22. SEVERABILITY

If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged will remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

## 23. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS HEREOF, the parties have caused their authorized representative to execute this Agreement on the date first written above.

CITY

By: \_\_\_\_\_  
Linda Ruffing  
Its: City Manager

CONSULTANT

By:  \_\_\_\_\_  
Pamela Patterson  
Its: Chief Executive Officer

ATTEST:

[Attach Notary Page]

By: \_\_\_\_\_  
June Lemos  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Samantha W. Zutler, City Attorney

Exhibits: Exhibit 1 – Consultant's Proposal  
Exhibit 2 – Required Contract Provisions for CDBG –Aided Consultant Contracts

## EXHIBIT 1

businesses. He values helping clients set and achieve their goals and has a knack for driving sales growth. When not consulting, John can be found pursuing his passion for sustainable food--in the field farming or in the kitchen conjuring delicious and healthful food.

### D. References

Steve Dunncliff, Director  
Planning & Building Services  
County of Mendocino  
Main Office: 860 N. Bush St, Ukiah, CA 95482  
Coast Office: 120 W. Fir St, Fort Bragg  
Phone: (707) 463-4281

Kristin Johnson  
Regional Director  
Northern California SBDC Network  
Hosted by Humboldt State University  
707-826-3920 [kristin.johnson@humboldt.edu](mailto:kristin.johnson@humboldt.edu)

### E. Scope of Work

#### a. Tasks Necessary to Accomplish All Activities

West Company has been a Microenterprise Assistance Program provider since 1993. Many of the tasks described in this proposal are already part of our standard working procedures.

There are 12 major areas to be completed.

1. We will implement and monitor the four guidelines for the Microenterprise Assistance Program by first reviewing with staff and then designing or refining protocols, as appropriate. We have protocols in place to execute the Microenterprise Technical Assistance and Financial Assistance Program guidelines. Support Services Program Guidelines and Program Income Reuse Agreement need further review, protocol design, and implementation. This will be completed upon contract award.
2. We utilize all of the forms, contracts, checklists, procedures, and agreements as is useful to program administration by the program operator. We will seek out City's approval of any adjustment to mentioned documents. If we find a need for changes we will contact the City and suggest changes.
3. We will provide program outreach which includes networking with local economic development providers, businesses, City staff, Mendocino college employees, workforce development providers, chamber of commerce, and others that are identified. Networking will be in formal settings or informal settings. We publish brochures, flyers, newsletters, articles, and news releases about the services and

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success of the program. All communication about the program also is delivered electronically by many means such as Facebook, website, tweets, blogs, and other post opportunities. We regularly send information about our services using the email newsletter program, Constant Contact. We also may initiate a direct mail program to business license holders' physical address.

4. and 5. West Company uses the forms and follows the requirements set forth by CDBG/HUD/HCD regulations to perform income screening and collection of demographic and other data about applicants. Currently our practice is to use the Self-Certification form designed by HCD to determine eligibility. However some required demographics have been omitted on the current form. If a corrected form is not released, we will add a few key questions to collect demographic information required for the annual report. We will use Part V income screening for Financial Assistance as required. Copies of the forms for ongoing monitoring will continue to be submitted with monthly invoices. We will be responsive to requests for additional information or, adjustments to the monthly monitoring report within 10 to 30 business days after notification of the request.

6. The program participants with whom we work are eligible microenterprises and micro-entrepreneurs. For these program participants, West Company performs a needs assessment, identifies and creates a plan for the services we provide, and gives the referrals for business support and technical assistance, when services are needed that we do not provide. On an on-going basis, we provide direct business support and technical assistance to program participants.

7. For eligible microenterprise and micro-entrepreneur clients with whom we are working, West Company will include in our needs assessment the identification for the need for Support Services. For the program participants who need Support Services, we develop strategies for the provision of services and make referrals for service, as needed. We will create a budget, document and track the provision of Support Services.

8. West Company has incorporated all the items on the file content checklist (Exhibit 1) into our current client files and tracking procedures. Our participant file system collects required data and appropriately identifies Technical Assistance applications and activities separately from Micro Loan / Grants applications and support documentation.

9. West Company uses a program-tracking and evaluation system called Neo Serra. It is a data base in which staff or clients input records collecting client demographics and maintains records of milestones such as business plans and outcomes such as jobs created, businesses started and value of loans made. We also use a Google form to record additional demographics from the self-certification that are not collected in the Neo Serra application.

10. We will coordinate with City staff to submit all data, reports, and cash requests in a timely way.

11. West Company will prepare for and attend grant monitoring visits, as necessary.

12. As needed, West Company will provide other needed support and technical assistance to ensure we fully deliver the City's microenterprise program.

## EXHIBIT 1

### b. Tasks Specific to Provision of Financial Assistance (Micro Loans / Grants)

1. West Company ensures program compliance with the City's most recent Microenterprise Financial Assistance Program Guidelines and conformity with the City's Microenterprise Financial Assistance Program Design. West Company's CEO and staff have read the guidelines for the programs for City of Fort Bragg's CDBG Microenterprise Assistance Program and have implemented all the requirements at least once and are prepared to complete the processes again.
2. West Company will recommend and refer qualified applicants to the micro loan / grant program. West Company reviews the applicant's personal financial income and household size and if it seems plausible that they will fall within the guidelines, we proceed to collect necessary documentation. As the documentation comes in, staff reviews it and compares financial information for accuracy. If at this time it appear that filling out Part V will support an application, we proceed with the Financial Assistance application. As the applicant is working on a business plan in the Technical Assistance Program, we are discovering the loan amount.
3. West Company will refer applicants for Technical Assistance services for loan application preparation. We engage participants in technical assistance before suggesting a loan application. This allows us to determine the sincerity and veracity of the applicant. We go through a business financial modeling process first before referring to the loan application.
4. We will perform CDBG-compliant Part V Income Certification procedures per the most recent HUD/HCD Income Calculation and Determination Guide for Federal Programs. All income certifications will be presented and approved on the Income Determination Worksheet with appropriate documentation. We immediately start this process of certification with documentation when it is determined that the participant will move forward to apply for a loan.
5. We will use the most current CDBG loan underwriting guidelines and procedures and the City's current Program Guidelines. We always refer to the newest posted guidelines by the City of Fort Bragg.
6. We will provide micro-loan / micro-grant packages and funding recommendations for presentation to the Loan Committee and approval by the City Manager. Upon completion of working on a loan application with a participant we present a full packet of recommendations with the client present.
7. We will follow the City's loan closing processes and procedures and will work with the City to develop the Loan Servicing Plan Development Checklist. We will monitor performance of micro loans and grants for the term of the contract. We are prepared to do this after the application is approved.
8. At the close of the grant and contract, West Company will transmit client loan files to the City, including original application and underwriting documents; loan servicing plan and status; in addition to loan and performance status reports and summaries. We will maintain a separate file for the loan in order to pass it on to the City when the contract period has ended.

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### c. Project Description

West Company offers training as well as one-on-one consulting to program participants – eligible microenterprises and micro-entrepreneurs. All participants are welcome to attend any of our offerings thorough the contract period.

Training includes our "Building a Better Business Series" that offers essential information for start-up businesses and our more advanced training topics such as Financial Essentials and Profit Mastery. We will provide one-on-one consulting during the contract period. One-on-one consulting will cover business feasibility, business planning, business management, financial management, profit and cash flow planning, marketing strategy development, and technology enhancement. One-on-one consulting also will include assisting program participants with website development and on-line selling.

West Company has been providing these services to microenterprises and micro-entrepreneurs for several years and has deep experience with each of these services. We propose to continue to provide these services to program participants throughout the contract period.

#### Training – Basic

The "Building a Better Business Series" offers essential information for start-up businesses. This 18-hour entrepreneurial training program is delivered in six 3-hour sessions and trains micro-entrepreneurs in basic business feasibility, market feasibility, market analysis and strategies, business management, financial management, plus cash flow and profit planning.

*Building a Better Business: Personal Readiness* – This session is fundamental for those exploring the idea of starting a business. Whether participants have a specific idea or are just considering entrepreneurship in the future, this class helps them understand what it personally requires to start a business. They learn how to evaluate if owning a business is right for them using objective personal assessment tools.

*Building a Better Business: Polishing Your Idea* – For aspiring entrepreneurs that have an idea for a business but are not sure if it will work, this class is designed to help them understand the key components to determining business feasibility. Participants learn how to objectively evaluate their ideas and decide if it is worth pursuing.

*Building a Better Business: Follow Your Money* – This session covers fundamental financial concepts that will help aspiring and existing business owners understand how to keep money in their bank account and make sure they are making a profit. Participants get an understanding of the financial statements needed and how to read them. Record keeping is essential to business success. This introductory session covers key financial concepts for businesses.

*Building a Better Business: Nuts and Bolts* – This course covers financial feasibility, legal issues, insurance, business structure, and other key business operating issues including taxes and permits, how to manage employees, and evaluate technology. West Company does not offer legal or accounting advice,

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however we provide participants with important resources to help them find the answers they need to start their business.

*Building a Better Business: Know Your Customers* – Business owners know their business will have great things to offer, but is there a sufficient customer base to keep it open? This session will help participants understand essential marketing concepts including target markets, market niches, and understanding important elements of their market base.

*Building a Better Business: Communicating with Customers* – This workshop focuses on developing a strong marketing strategy. It covers key marketing concepts and helps participants understand how to set up a marketing budget and how to use it to drive sales.

### Training – Advanced

Advanced trainings are typically offered once each year in Fort Bragg, usually in the Spring or Fall, if sufficient enrollment is met. These advanced trainings are best for participants who have been in business less than three years.

*Telling Your Business Story* – This two-hour course teaches business owners how to create stories to promote their business. Participants leave with an understanding of why storytelling is a powerful tool for presenting the truths of a product, service, or brand as well as a draft, one-page story that explains the essence of their business in a way the listener will remember.

*Zero-Budget Marketing* – This two-hour session covers the latest in free marketing opportunities and provides a framework for business owners to determine the best use of their time and energy

*Financial Essentials* – Designed for existing business owners and graduates of the Building a Better Business Series, this 7.5 hour class series covers the basic and most essential financial elements for running a business including Profit and Loss, Cash Flow, Bookkeeping Basics, and Financial Statements. The first half of the class focuses on the financial concepts and the second focuses on records and bookkeeping.

*Profit Mastery* – The Profit Mastery program focuses on businesses that either manufacture or re-sell products, including food businesses and retail outlets that are already in business and want to grow and expand. Many business owners in Fort Bragg and Ukiah struggle with managing the financial aspects of their businesses. Profit Mastery is a 16-hour intensive program that provides key financial management tools that allow business owners to improve the efficiency of their business, increase profits, and manage debt. Profit Mastery will be delivered in several two to three hour sessions to a group of micro-entrepreneurs who will participate also in one-on-one consultations to help them apply the lessons of each session directly to their business. Several of the businesses that may want to participate may need pre-assistance to help them organize their financial statements (including a balance sheet and income statement), and these businesses will receive additional pre-consulting sessions to help them through this process. At the end of the program, each participant will have completed a balance sheet, an annual profit and loss statement, a ratio score card, and a one-page financial plan for increasing their



## EXHIBIT 1

cash flow and profits. On-going consulting and technical support will be provided to assist business owners through implementation.

Guided Work Session: Business Plan Writing Workshop – This is a six part, 3-hour session series (18 hours total) and is intended to assist new and existing businesses through the process of writing their plans. At a minimum, participants are expected to work toward completion of their business plan and development of financial projections.

Guided Work Session: Marketing In Action – This guided work session will take place in three, 2-hour sessions. Clients will work through a work book with the help of a West Company business consultant to develop an active marketing plan with budget that they will implement within one year.

### Consulting

Consulting is offered on a continuous basis. Those with an idea for business are lead through a comprehensive feasibility study starting with financial break even, market study and sales analysis. This process generally solidifies good ideas and participants move forward to a business plan. Many of those that don't find their ideas feasible come back later with better ideas . . . always an entrepreneur.

Additionally, West Company provides individual one-on-one consulting to assist clients in learning how to prepare a loan package and secure business credit from all lending sources; how to prepare and present financial statements; how to manage cash flow, and understand and comply with tax laws, accounting principles and welfare regulations (where appropriate); and how to manage the financial operations of a business.

### Specialty Programs

Specialty programs are offered once each year in Fort Bragg, if sufficient enrollment is met. Usually in the Spring or Fall.

Dream Builders – Dream Builders is an online business skills training and certification course that helps teach the basics of starting and growing a business, including topics such as marketing, finances, human resources, and pricing. A business plan generator, embedded in the program creates a personalized and editable business plan that participants can use to seek support for their business.

QuickBooks Training – This workshop series focuses on teaching both startups and more established business entrepreneurs QuickBooks accounting software, in order to help them work more efficiently through attaining a better insight on their business performance.

Women in Business Network – We connect women to women in established businesses in order to network and learn business concepts. We anticipate this to become a support service.

Bizzy Women – We assist low-income women to develop business skills, write business plans, and access a small micro loan fund available through Soroptimist International of Fort Bragg. These loans are under \$1,000 and can often help with pre-business expenses like licensing

## EXHIBIT 1

Women's Money Center and Mujeres y Dinero (for Spanish speakers) – We host meetings for local participants of the Women's Money Center's programs, which help women have a place of support while they take action on their personal finances to create a strong foundation.

### d. Estimated Number of Clients to be Served by Each Major Task

Please see the attached Budget and Schedule of Charges for details.

### e. Microenterprise Assistance Task Matrix

West Company will complete the tasks outlined in the City of Fort Bragg task matrix in a variety of ways. For purposes of this proposal, the task list provided in Attachment B, Exhibit 7 of the RFP has been grouped by type of task which we have defined as follows:

- Activity Delivery and Outreach comprises tasks that are necessary to the implementation of the project but cannot be associated with a specific program participant or direct service. See specifics within the task list below.
- Tacking and Monitoring tasks are an ongoing effort so that accurate reports can be provided throughout the grant period. We will continue to use our database, NeoSerra, to record specific details about participant activity. These records are entered by program coordinators and counselors.
- Intake and Orientation tasks assure compliance with program client eligibility rules and match fitness of low and moderate income (LMI) applicants to the project.
- Counseling is provided to program participants in mostly face-to-face meetings. On occasion, email exchanges are used to advance progress.
- Workshop Planning and Delivery tasks comprise the steps needed to provide and deliver training.

#### Activity Delivery

- Generate Fiscal / Performance Reports – Fiscal reports are generated monthly based on activity recorded in Neo Serra database and West Company QuickBooks. Any other request for fiscal reports can be provided within 10 business days. Performance reports required annually and semi-annually can be generated within 20 business days
- Coordinate grant activities with Program Operator and Grantee – We will stay in touch with the City of Fort Bragg contact to determine when coordination is needed.
- Prepare and submit cost allocation plan as needed – We will determine the how to complete this based on the request.
- Attend HCD Workshops – We will participate in HCD workshops and budget for lodging, ground transportation and meals in the annually approved West Company budget.
- Microenterprise Financial Assistance: Part 5 Income Determination - We will research any changes from the last time we completed this process, incorporate any new findings, and fill out the required form.

## EXHIBIT 1

- Compile loan / grant proposals for LAC; Participate in Loan Advisory Review; and Assemble LAC for Financial Assistance recommendations – We will complete these three tasks when successful candidates have been determined through the META process.
- Loan Servicing and Accounting – We will provide connection to loan candidates within the grant period.

### Outreach

- Meet with local economic developers to solicit referrals
- Create and distribute program flyers and newsletters
- Write press releases and market Microenterprise services
- Create and update the program website

All of these task are completed during the course of our regular business when it is reasonable and it assists in promoting the City of Fort Bragg Microenterprise, Financial, and Support Assistance Program.

### Tracking and Monitoring

- Determine indicators for tracking
- Create database to match participant data collection
- Compile and maintain client files (separate TA/SS/FA)
- Collect and track eligible, enrolled participant data
- Track Support Services provided to clients
- Monitor achievement goals
- Report on progress to Grantee and local governing body
- Report on program outcomes
- Evaluate program effectiveness

West Company's standard practice is to ask participants to complete an online application that includes basic contact information and demographics. We meet face-to-face so participants may learn more about our program and self-certify to determine that the family is low or moderate income (LMI). We mark their record in NeoSerra, our database, as LMI. Case notes and other activities are recorded under their record. We maintain paper files that document the participant's engagement to include separately marked files for Technical Assistance, Financial Assistance, and Support Assistance. The database records can be queried to create reports. As a regular course of business, we document our progress in fulfilling our commitments to funders on a monthly basis. We call this report Target Summaries. This report is reviewed by management and adjustments are made to our marketing to reach our goals and commitments. An internal newsletter is generated quarterly to inform staff, contractors, and the Board of Directors of our progress.

## EXHIBIT 1

### Intake and Orientation

- Field calls from potential participants – Calls, emails, and requests for services from our online application are responded to within 24 business hours. We determine the likelihood that applicants are eligible for META by asking about family size and gross income, whether in business and business size, and type of service needed.
- Microenterprise Technical Assistance – We income screen for LMI status to establish eligibility.
- Gather baseline data on potential participants and determine business size and eligibility as a microenterprise Program coordinators have applicants fill out an approved self-certification form without assistance.
- Verify the applicant's information and then determine eligibility
- Ascertain readiness of potential participant – coordinators have a brief discussion about the service needs to determine the best choice of technical assistance, either counseling or workshops.
- Participants fill out a Business Assessment Questionnaire indicating their prior goals and activity. If a proper fit for service is determined, a referral to a counselor is initiated.

We will make all services below available to all program participants, however, based on a participant's need assessment and planned strategy for provision of service, specific tasks that are appropriate to the participant's individual situation – goals and needs – will be delivered to the participant.

### Counseling

- Create service plan for eligible, enrolled participant – During the first meeting with a newly enrolled participant, the counselor starts a business feasibility or business financial model review to determine the content for the service plan. In the case of an aspiring microentrepreneurs, it is often a plan to write a business plan. Existing business owners' service plans vary based on the interview and assessment. Service plans are written in the case of workshops for tracking purposes of completing a program.
- Meetings and counsel sessions with eligible, enrolled participants – These sessions comprise both the face time and preparation time needed to address the agreed upon goals. In the course of these sessions, barriers are identified which we may be able to offer a support service to address or a referral for services in the community. However there are times when no solution is available to assist the participant. In these particular cases, the participant and West Company may determine that there is not a match with the participant's needs and the services we have to offer. In some cases, the individual may leave the program without communicating to us and without responding to our requests for follow up.
- Guided enrolled participants in resolving business issues – This occurs within the counseling session.
- Field calls from enrolled, eligible participants – This is an ongoing task that may be handled by staff or contractors.

## EXHIBIT 1

- Identify and approve Support Services needed by clients – This is usually determined in the course of interaction with the client as they move through the program through both workshops attendance and counseling.
- Assist in preparing business plan and marketing strategy – This is either provided through one-on-one counseling or through a guided workshop series.
- Assist in preparing Financial Assistance application – This is a multiple-faceted application that requires business counselor assistance and help from one of our Part V trained staff.

### Workshop Planning and Delivery

- Coordinate course offerings with community colleges and other providers –
- We do not duplicate offerings by Mendocino Community and no other local provider is available for the type and design of training we offer.
- Set up courses and schedules for eligible, enrolled participants – We plan and schedule courses three to six months in advance so that we can appropriately market the training events. We offer courses to enrolled participants as they enter the program.
- Curriculum Development – At times we develop new curriculum based on current trends and needs of clients.
- Class / Training Preparation – Trainers prepares an average of one hour per class. They may be preparing new content that better explains a concept or new worksheets that help clients complete their business plan or action sooner.
- Conduct courses – This occurs when and if there is enough enrollment. The Small Business Administration considers the minimum class size to be two or more.

## F. Budget and Schedule of Charges

See Attachment A

## G. Work Schedule

See Attachment B

## H. Insurance

West Company has the current required evidence of insurance on file with the City of Fort Bragg.

## I. Consultant Agreement

West Company has no issues with the provisions of the City's standard consulting services agreement.

## J. Grant Agreement

West Company is prepared to comply with the provision in the Grant Agreement.

# EXHIBIT 1

## F. Budget and Schedule of Charges

August 12, 2015  
West Enterprise Center Inc DBA West Company  
Microenterprise Assistance Program  
City of Fort Bragg contract #14-CDBG-9881

### A. Microenterprise Technical Assistance Budget

	Hours	Unit Price	Extension
Direct Services-business counseling	740 \$	150.00 \$	111,000.00
	Participants		
Ascertain Readiness/gather baseline data	120 \$	225.00 \$	27,000.00
Create service plan/set up (services)courses	100 \$	225.00 \$	22,451.00
	Activities		
Direct Services - Conduct Courses	6 \$	2,550.00 \$	15,300.00
Direct Services - Guided Work Sessions	4 \$	1,350.00 \$	5,400.00
Direct Services - Profit Mastery	2 \$	2,550.00 \$	5,100.00
Direct Services - Advanced Courses	4 \$	2,100.00 \$	8,400.00
TOTAL ME TA		not ot exceed	\$ 194,651.00

### B. Microenterprise Financial Assistance Budget

	Participants		
ME Loans/Grants	3 to 5	\$	24,267.00
Activity Delivery		\$	3,640.00
		not to exceed	\$ 27,907.00

### C. Microenterprise Support Assistance Budget

Support Services		\$	10,000.00
		not to exceed	\$ 10,000.00
TOTAL Microenterprise Assistance Program		not to exceed	\$ 232,558.00

Invoices will be submitted monthly based on delivery of service with backup documentation.

## EXHIBIT 2

CITY OF FORT BRAGG  
416 Franklin Street  
Fort Bragg, California 95437

### **REQUIRED CONTRACT PROVISIONS for CDBG-Aided Consultant Contracts**

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## EXHIBIT 2

### 1. General Provisions

- 1.1. This project is funded wholly or in part by the State of California Community Development Block Grant Program and is subject to both Federal and State regulatory requirements. The consultant and its sub-contractors agree to comply with all State and Federal laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Consultant and any subcontractors. The consultant further agrees to comply with all Federal laws and regulations applicable to the CDBG Program and with other Federal provisions as set forth below.
- 1.2. These contract provisions shall apply to all work performed on the contract by the consultant's own organization and with the assistance of workers under the consultant's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.
- 1.3. Except as otherwise provided for in each section, the consultant shall insert in each subcontract all of the stipulations contained in these Required Contract Provisions for CDBG-Aided Consultant Contracts, and further require their inclusion in any lower tier subcontract or purchase order that may in turn be made. The Required Contract Provisions for CDBG-Aided Consultant Contracts shall not be incorporated by reference in any case. The prime consultant shall be responsible for compliance by any sub-consultant or lower tier sub-consultant with these Required Contract Provisions for CDBG-Aided Consultant Contracts.
- 1.4. The consultant and its sub-consultants shall perform the project in accordance with Federal, State and local housing and building codes as are applicable.
- 1.5. The consultant and its sub-consultants shall maintain at least the minimum State-required Worker's Compensation Insurance for those employees who will perform the contract activity(ies) or any part of it.
- 1.6. The consultant and its sub-consultants shall maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the consultant or any sub-consultant in performing the project or any part of it.
- 1.7. The consultant and its sub-consultants shall retain all books, records, accounts, documentation, and all other materials relevant to the agreement for a period of five (5) years from date of termination of the agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to the agreement and any amendments, whichever is later.
- 1.8. The consultant and its sub-consultants shall permit the State, Federal government, the Bureau of State Audits, the Department of Housing and Community Development, the City of Fort Bragg and/or their representatives,



## EXHIBIT 2

upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

### 2. Conflict of Interest Provisions.

#### 2.1. Conflict of Interest of Members, Officers, or Employees of Consultants, Members of Local Governing Body, or other Public Officials

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Consultant, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter.

#### 2.2. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

### 3. Equal Opportunity

#### 3.1. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances:

During the performance of this Agreement, the Consultant assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

#### 3.2. The Training, Employment, and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance

3.2.1. The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of

## EXHIBIT 2

1968, as amended, 12 U.S.C. 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in other order of priority provided in 24 CFR 135.34(a)(2).

- 3.2.2. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3.2.3. The consultant will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the State or City, take appropriate action pursuant to the contract upon a finding that any consultant or sub-consultant is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and will not let any contract unless the Consultant or consultant or sub-consultant has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- 3.2.4. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the Federal financial assistance provided to the project, binding upon the consultant, its successors, and assigns. Failure to fulfill these requirements shall subject the consultant and its sub-consultants, its successors, and assigns to those sanctions specified by the grant or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

### 3.3. Rehabilitation Act of 1973 and the "504 Coordinator":

The Consultant further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR Part 8, including, but not limited to, for Consultants with fifteen(15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

## 4. Prevailing Wages

4.1. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Consultant shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

## EXHIBIT 2

4.2. For the purposes of this requirement “construction work” includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the “construction contract”). Where the construction contract will be between the Consultant and a licensed building contractor, the Consultant shall serve as the “awarding body” as that term is defined in the Labor Code. Where the Consultant will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the “awarding body.” Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

### 5. Bonus or Commission, Prohibition Against Payments of

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the application for such assistance; or
- B. The Department's approval of the applications for additional assistance; or
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

## EXHIBIT 2

### 6. Labor Standards--Federal Labor Standards Provisions

The Consultant shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

6.1 Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

6.2 "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from:

(1) providing, attempting to provide, or offering to provide any kickback;

(2) soliciting, accepting, or attempting to accept any kickback; or

(3) including directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.

6.3 Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

6.4 Title 29, Code of Federal Regulations, Subtitle A, Parts I, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

### 7. Anti-Lobbying Certification

The consultant shall require that the language included in the Consultant's/Sub-consultant's Certification concerning Anti-Lobbying form be included in all subcontracts entered into in connection with this activity and that consultant and all subconsultants shall certify and disclose per the requirements of that form.

EXHIBIT 2  
CITY OF FORT BRAGG  
416 North Franklin Avenue  
Fort Bragg, California 95437

CONSULTANT'S/SUB-CONSULTANT'S CERTIFICATION  
CONCERNING ANTI-LOBBYING

The Consultant shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity(ies) and that all subrecipients 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 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure. "The undersigned certifies, to the best of his or her knowledge or belief, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

(Consultant/Sub-consultant)

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

**EXHIBIT 2**  
**DISCLOSURE OF LOBBYING ACTIVITIES**

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial <input type="checkbox"/> b. material change  <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity</b>  <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known  Congressional District, if known _____		<b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known _____
<b>6. Federal Department/Agency:</b>  _____	<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable _____	
<b>8. Federal Action Number, if known:</b>  _____	<b>9. Award Amount, if known:</b>  _____	
<b>10. a. Name and Address of Lobby Entity</b> (If individual, last name, first name, MI)  _____  (attach Continuation Sheet(s) if necessary)		<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI)  _____  (attach Continuation Sheet(s) if necessary)
<b>11. Amount of Payment (check all that apply)</b> \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned	<b>13. Type of Payment (check all that apply)</b> <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify _____	
<b>12. Form of Payment (check all that apply):</b> <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____		
<b>14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11:</b>  _____  (attach Continuation Sheet(s) if necessary)		
<b>15. Continuation Sheet(s) attached:</b> Yes <input type="checkbox"/> No <input type="checkbox"/>		
<b>16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when his transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</b>		
Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____		

## EXHIBIT 2

### INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity 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 a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence, the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last, previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee" then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant. or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

## EXHIBIT 2

(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).

11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform and the date(s) of any services rendered. Include all preparatory and related activity not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether or not a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.



**EXHIBIT 2**  
**STATE OF CALIFORNIA**  
**Department of Housing and Community Development**  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) Program**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,**  
**INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 24 CFR Part 85, Section 85.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

**(BEFORE COMPLETING THIS CERTIFICATION, READ INSTRUCTIONS BELOW)**

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principles are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**Grant Number:** \_\_\_\_\_ **Name of Participant:** \_\_\_\_\_  
**Address of Participant:** \_\_\_\_\_

Name and Title of Authorized Representative	Signature	Date
<ol style="list-style-type: none"><li>1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.</li><li>2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.</li><li>3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.</li><li>4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.</li><li>5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.</li><li>6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.</li><li>7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may check the non-procurement List.</li><li>8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.</li><li>9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.</li></ol>		