



ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

AGENDA ITEM NO. _____ November 20, 2012

Chris Bazar
Agency Director



Linda M. Gardner
Housing Director

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November 6, 2012

The Honorable Board of Supervisors
Administration Building
Oakland, CA 94612

Dear Board Members:

**SUBJECT: AUTHORIZE PROCUREMENT CONTRACT NO. 7270 WITH
FAMILY EMERGENCY SHELTER COALITION (FESCO) FOR
THE FESCO BANYAN HOUSE TRANSITIONAL HOUSING
PROJECT**

RECOMMENDATION:

Authorize and execute Procurement Contract No. 7270 with Family Emergency Shelter Coalition (FESCO) (Principal: Gay McDaniel, Executive Director; Location: Hayward) with Supportive Housing Program (SHP) funding for the operation of housing and supportive services for homeless families located at Banyan House in Cherryland, for the period of December 1, 2012 through November 30, 2013, in the amount of \$77,900.

SUMMARY/DISCUSSION:

Each year, the Community Development Agency's (CDA) Housing and Community Development Department (HCD), in partnership with the Cities of Berkeley and Oakland and EveryOne Home, convenes a process to submit an application for McKinney Homeless funding to the U.S. Department of Housing and Urban Development (HUD). Since 1996, this application has brought more than \$163 million in funding for homeless programs throughout Alameda County. On December 20, 2011, HUD awarded more than \$22 million to forty-eight existing housing and service programs serving homeless people in Alameda County, including this grant.

This application process includes funding awards through HUD's Supportive Housing Program (SHP) and Shelter Plus Care Program (S+C). SHP provides permanent and transitional housing and supportive services. Of the forty-eight grants in this year's award, HCD is the recipient of ten renewal SHP grants and six S+C grants. After official notification of the awards, it can take months to complete the formal grant renewal agreements with HUD. On January 24, 2012, your Board accepted the renewal grant for the Banyan House Transitional Housing Grant from HUD, and authorized in-principle Procurement Contract No. 7270 between FESCO and the County with a start date of December 1, 2012. HCD has now received the grant agreement from HUD and this contract is being brought back to your Board for formal execution.

FESCO is a nonprofit service and housing provider. FESCO Banyan House, funded under this contract, provides transitional housing for homeless families in mid-county.

SELECTION CRITERIA:

In 1997, FESCO approached HCD to propose a joint application to HUD to create a transitional house for homeless families at a former nursing care home. HCD, with FESCO as the operator, submitted an application that was approved by the local Continuum of Care process and forwarded to HUD. In 1998, HCD was awarded the first grant of this renewable Supportive Housing Program (SHP) Grant, specifying FESCO as the sponsor. SHP has allowed for annual renewal of these grants, provided that the activities remain the same. The prior grant ran from December 1, 2011 through November 30, 2012. The new grant begins on December 1, 2012 and runs through November 30, 2013. The funds under this grant are awarded specifically for this project and may not be used on other projects.

The Auditor Controller's Office of Contract Compliance has reviewed the contract and issued Federal Grant Waiver # F010612M for this contract.

FINANCING:

Funding for this contract is included in CDA's FY 2012-2013 budget (\$38,950) and will be included in the FY2013-14 budget (\$38,950). This contract is funded from a federal grant which runs over multiple fiscal years. Unused funds from federal grants are rolled over to the following year/s available funds during the term of the grant. HCD includes estimated project amounts to encumber from available funds in various grants as part of the annual budget. Upon payments to contractors, HCD makes draws on the federal grants to reimburse the County general fund. Contract expenditures may change from one fiscal year to another due to the needs of the project and/or changes in the project schedule. HCD will make adjustments at year's end to the unused appropriations and budget rollovers in conformance with grant reimbursement guidelines. No additional appropriations are required and there is no Net County Cost as a result of this action.

Very truly yours,



Chris Bazar, Director
Community Development Agency

Attachment

cc: Susan Muranishi, County Administrator
Patrick O'Connell, Auditor-Controller
Donna R. Ziegler, County Counsel
Richard Conway, County Administrator's Office
William M. Fleishhacker, Office of the County Counsel
U.B. Singh, CDA Finance Director

CONTRACT
BY AND BETWEEN
FESCO TRANSITIONAL CO-HOUSING AND
THE COUNTY OF ALAMEDA

THIS AGREEMENT, made and entered into this 20th day of November 2012, by and between the County of Alameda, acting by and through its Housing and Community Development Department, hereinafter referred to as "COUNTY", and Family Emergency Shelter Coalition (FESCO) for the FESCO Banyan House Transitional Housing Project, hereinafter referred to as "SERVICE PROVIDER".

WITNESSETH:

WHEREAS, COUNTY has received funding from the Supportive Housing Program (SHP) under grant number CA0094B9T021104, for the purpose of funding support services and operating subsidy to formerly homeless families living at the FESCO Banyan House Transitional Housing Project, and

WHEREAS, the SERVICE PROVIDER has the expertise and capacity to provide these services and meet the outcomes outlined in the grant CA0094B9T021104, and

WHEREAS, the COUNTY agrees to fund such services as they relate to the goals and the outcomes of the SHP Grant CA0094B9T021104, which by reference is made a part hereof;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

1. The COUNTY and the SERVICE PROVIDER enter into this agreement with the understanding that the COUNTY will provide financing for services rendered by the SERVICE PROVIDER to the residents of the FESCO Banyan House Transitional Housing Project.
2. The services to be provided by the SERVICE PROVIDER are described more fully in Exhibit A, attached hereto, and by this reference made a part hereof, for the residents of FESCO Banyan House Transitional Housing Project.
3. The SERVICE PROVIDER agrees to comply with all provisions, to perform all work, and to provide all such duties and services set forth in Exhibit A in a professional and diligent manner.
4. COUNTY has allocated the sum of **\$77,900** to be expended as described in this Agreement. Unless an amendment to this contract otherwise provides, that amount shall in no event be exceeded by SERVICE PROVIDER, and COUNTY shall under no circumstances be required to pay in excess of that amount. Payment shall be made pursuant to the terms and conditions set forth in Exhibit B, attached hereto and by this reference made a part hereof. Sums not so paid shall be retained by COUNTY.
5. The term of this contract begins on the 1st day of December, 2012 and ends on the 30th day of November 2013.
6. The SERVICE PROVIDER shall maintain both a property management file and a separate services file with regards to progress and outcomes outlined by the case manager. All records are to be maintained for a period of at least three years after the expiration of this Contract. SERVICE PROVIDER shall comply with all such instructions. SERVICE PROVIDER will cooperate with COUNTY in the preparation of, and will furnish any and all information required for, reports as may be required by the rules, regulations, or requirements of COUNTY or government entities. To the extent permitted by law, SERVICE PROVIDER will also permit access to all books, accounts, or

records of any kind to COUNTY or to any other governmental entity for purposes of audit or investigation, in order to ascertain compliance with the provisions of this contract.

7. SERVICE PROVIDER shall maintain, at all times during the term of this contract, the insurance and bonding documentation described in Exhibit C to this contract, and shall comply with all other requirements set forth in that Exhibit. The SERVICE PROVIDER shall indemnify COUNTY, its officers and employees, against any and all liability for injury or damage caused by any act or omission of SERVICE PROVIDER or any of SERVICE PROVIDER'S employees or volunteers in the performance of this contract, and SERVICE PROVIDER shall hold COUNTY harmless from any and all loss occasioned in the performance of, or otherwise arising out of, this contract.
8. COUNTY shall monitor and perform a program evaluation as necessary, at any time during the term of this contract. COUNTY, with prior written notice of 14 days to SERVICE PROVIDER, may at any time during the term of this contract conduct an evaluation of the program. Said evaluation shall cover both objectives and program of SERVICE PROVIDER. SERVICE PROVIDER shall maintain and retain records with respect to such objectives, program, and evaluations, and shall cooperate with COUNTY in making these or any other evaluation reports; SERVICE PROVIDER shall permit access by COUNTY to the premises, shall furnish all information requested by COUNTY, and shall afford COUNTY access to all such records of SERVICE PROVIDER.
9. SERVICE PROVIDER shall not claim reimbursement from COUNTY for (or apply sums received from COUNTY) with respect to that portion of its obligations which has been paid by another source of revenue. However, unrestricted or undesignated private charitable donations and contributions made to the SERVICE PROVIDER for the purpose of providing services to the residents of FESCO Transitional Co-Housing shall not be considered revenue applicable to this contract, as long as the project remains feasible. Sums received as a result of applications for funds from public or private organizations shall be considered such revenue insofar as such sums are or can be applied to the work to be performed by SERVICE PROVIDER pursuant to this contract.
10. None of the work to be performed by SERVICE PROVIDER under this contract shall be subcontracted out without the consent of the COUNTY. SERVICE PROVIDER shall not transfer any interest in this contract (whether by assignment or novation) without the prior written approval of COUNTY. No party shall, on the basis of this contract, in any way contract on behalf of, or in the name of, the other party to the contract, and any attempted violation of the provisions of this sentence shall confer no rights, and shall be void.
11. Neither the SERVICE PROVIDER nor any of its employees shall by virtue of this contract be an employee of COUNTY for any purpose whatsoever, nor shall it or they be entitled to any of the rights, privileges, or benefits of COUNTY employees. SERVICE PROVIDER shall be deemed at all times an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this contract. SERVICE PROVIDER assumes exclusively the responsibility for the acts of its employees as they relate to the services to be provided during the course and scope of their employment.
12. SERVICE PROVIDER agrees to maintain the confidentiality of any information that may be obtained while performing services under this contract. However, SERVICE PROVIDER shall maintain records on eligibility which the COUNTY shall have access to in order to determine that the SERVICE PROVIDER is fulfilling its obligations. COUNTY shall respect the confidentiality of information furnished by SERVICE PROVIDER to COUNTY.
13. If, through any cause, SERVICE PROVIDER shall fail to fulfill in timely and proper manner its obligations under this contract, or if SERVICE PROVIDER shall violate any of the covenants, agreements, or stipulations of this contract, COUNTY shall thereupon have the right to terminate

this contract by giving written notice to SERVICE PROVIDER of such termination and specifying the effective date of such termination. Without prejudice to the foregoing, SERVICE PROVIDER agrees that if, prior to the termination or expiration of this contract, upon any final or interim audit by COUNTY, COUNTY finds that the SERVICE PROVIDER has failed to fulfill its obligations under this contract in a timely and proper manner, that SERVICE PROVIDER shall forthwith bring itself into compliance and shall pay to COUNTY forthwith whatever sums are so disclosed to be due to COUNTY (or shall, at COUNTY election, permit COUNTY to deduct such sums from whatever amount remains undisbursed by COUNTY to SERVICE PROVIDER pursuant to this contract); if this contract shall have terminated or expired, and it shall be disclosed upon such audit, or otherwise, that such failure shall have occurred, the SERVICE PROVIDER shall pay to COUNTY forthwith whatever sums are so disclosed to, or determined by, COUNTY to be due to COUNTY, or shall, at COUNTY'S election, permit the COUNTY to deduct such sums from whatever amounts remain undistributed by COUNTY to SERVICE PROVIDER pursuant to this or any other contract between the COUNTY and SERVICE PROVIDER. Anything in this contract to the contrary notwithstanding, COUNTY or SERVICE PROVIDER shall have the right to terminate this contract with or without cause at any time upon giving at least 30 days' written notice prior to the effective date of such termination.

14. SERVICE PROVIDER shall comply with all applicable laws, ordinances, and codes of Federal, State and local governments, in performing any of the work embraced by this contract. This shall include obtaining any licenses; permits or waivers necessary to perform any work or service covered by this contract.
15. COUNTY shall assign a liaison to SERVICE PROVIDER with respect to the performance of this contract. The SERVICE PROVIDER is directly responsible to each liaison in the performance of all aspects of this contract.
16. SERVICE PROVIDER agrees to comply with all requirements that are now, or which may hereafter be, imposed by the Supportive Housing Program and HUD, as well as such requirements as may be imposed by COUNTY. This includes, but is not limited to: 24 CFR Part 583 (Supportive Housing Program); 24 CFR part 85 (OMB Circulars A-102, A-87, A-110 and A-122); 24 CFR part 87, anti-lobbying requirements. SERVICE PROVIDER agrees that it will not use funds received pursuant to this agreement, either directly or indirectly, as a contribution in order to obtain any Federal funds under any Federal programs without prior written approval of COUNTY. Further, SERVICE PROVIDER agrees that upon the return of any funds paid out by SERVICE PROVIDER which were originally paid for by the COUNTY and this Contract, SERVICE PROVIDER shall return the funds to COUNTY, unless COUNTY otherwise directs in writing.
17. SERVICE PROVIDER agrees that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, handicap, ancestry, or age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available to SERVICE PROVIDER by COUNTY pursuant to this contract.
18. SERVICE PROVIDER shall submit all claims for reimbursement under the contract within thirty (30) days after the ending date of the contract. All claims submitted after thirty (30) days following the ending date of this contract will not be subject to reimbursement by the COUNTY. Any "obligations incurred" included in claims for reimbursements and paid by the COUNTY which remain unpaid by the SERVICE PROVIDER after thirty (30) days following the ending date of the contract will be disallowed under audit by the COUNTY.
19. SERVICE PROVIDER and COUNTY recognize that unforeseen events may cause significant increases in the costs to be borne by SERVICE PROVIDER in rendering services hereunder and in otherwise performing this contract. If the COUNTY determines that the SERVICE PROVIDER has

incurred unforeseen significant costs, which, if not paid, will interfere substantially with SERVICE PROVIDER'S performance hereunder, and reimbursement thereof is necessary in order to prevent undue hardship to the recipients of services under this contract, this contract may be amended.

20. CONFLICT OF INTEREST

SERVICE PROVIDER shall not, during the term of this contract, without obtaining the written consent of COUNTY, permit any member of the governing board of the SERVICE PROVIDER to perform for compensation any administrative or operational functions for the SERVICE PROVIDER with respect to the performance of this contract (including, but not by way of limitation, fiscal, accounting, or bookkeeping functions). SERVICE PROVIDER shall obtain such consent in writing from the COUNTY. COUNTY may consent if they determine such performance to be fair or reasonable, but only after COUNTY receives approval from the Department of Housing and Urban Development. Should COUNTY refuse to consent within three weeks of receipt of the request therefore, then SERVICE PROVIDER either shall comply with the COUNTY'S decision, or shall file a letter with the Department of Housing and Community Development contesting the decision. In that event, the performance of such functions may continue until HUD has decided the matter. The SERVICE PROVIDER shall comply with such final decision. SERVICE PROVIDER shall not, during the term of this contract, with respect to the performance of this contract, without having promptly disclosed the same to COUNTY in writing:

- a. Employ any person who is related by blood or marriage to another employee, a manager, or a member of the governing board of the SERVICE PROVIDER; or
- b. Contract for the acquisition of goods or services for more consideration than would be paid for equivalent goods or services on the open market from any person who is related by blood or marriage to a manager or a member of the governing board of the SERVICE PROVIDER; or
- c. Contract for the acquisition of goods or services for more consideration than would be paid for equivalent goods or services on the open market from any organization in which is owned (in part or in whole) or employs any person who is related by blood or marriage to a manager or member of the governing board of the SERVICE PROVIDER.

Such disclosure shall be in writing and addressed to the COUNTY; should the COUNTY object to such employment or contracting in writing to the SERVICE PROVIDER within three weeks of receipt of the disclosure, then SERVICE PROVIDER either shall not permit such employment or contracting as so disclosed, or shall file a letter with the Federal Department of Housing and Urban Development (HUD) contesting the decision. In that event said employment or contracting may continue until HUD has decided the matter. The SERVICE PROVIDER shall comply with such final decision. SERVICE PROVIDER shall not during the term of this contract, permit any member of the governing board of the SERVICE PROVIDER to have or acquire, directly or indirectly, any personal financial interest in the performance of the contract, as by providing goods or services for compensation, or otherwise, without having first disclosed the same to the board, and said member shall not participate in board discussion or action on any such matter.

21. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: SERVICE PROVIDER assures that it will comply with the Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, relation, Vietnam-era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this contract.

- A. SERVICE PROVIDER shall, in all solicitation or advertisements for applicants for employment placed as a result of this contract, state that it is an "Equal Opportunity

Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.

- B. SERVICE PROVIDER shall, if requested to do so by the COUNTY, certify that it has not, in the performance of this contract, discriminated against applicants or employees because of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
- C. If requested to do so by the COUNTY, SERVICE PROVIDER shall provide the COUNTY with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- D. SERVICE PROVIDER shall recruit vigorously and encourage minority- and women-owned businesses to bid its subcontracts.
- E. Nothing contained in this contract shall be construed in any manner so as to require or permit any act, which is prohibited by law.
- F. The SERVICE PROVIDER shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.

SERVICE PROVIDER agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the awarding authority setting forth the provision of this Equal Employment Opportunity Practices provisions clause.

- 22. SERVICE PROVIDER and SERVICE PROVIDER'S employees shall comply with the COUNTY'S policy of maintaining a drug-free work place and with the requirements of the Drug-free Workplace Act of 1988 and 24 CFR part 24 subpart F. Neither SERVICE PROVIDER nor SERVICE PROVIDER'S employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. code Section 812, including marijuana, heroin, cocaine, and amphetamines, at any COUNTY facility or work site. If SERVICE PROVIDER or any employee of SERVICE PROVIDER is convicted or pleads nolo contendere to a criminal drug statute violation occurring at an COUNTY facility or work site, or at the FESCO Transitional Co-Housing Site, the SERVICE PROVIDER within five days thereafter shall notify COUNTY of said violation. Violation of this provision shall constitute a material breach of this agreement.
- 23. SERVICE PROVIDER agrees to comply with the requirements of the HUD's Section 3 *Employment Opportunities for Low-Income Residents* Requirements as applicable, attached hereto as Exhibit E.
- 24. HOLD HARMLESS/INDEMNIFICATION:

To the fullest extent permitted by law, SERVICE PROVIDER shall hold harmless, defend and indemnify the COUNTY, its Board of Supervisors, officers, employees and agents "collectively Indemnitees" from and against any and all claims, losses, damages, liabilities or expenses, including reasonable attorney fees, incurred in the defense thereof, for the death or injury to any person or persons (including employees of SERVICE PROVIDER OR COUNTY) or damage of any property (including property of SERVICE PROVIDER or COUNTY) which arises out of or is any way connected with the performance of this agreement (collectively Liabilities) except where such Liabilities are proximately caused solely by the negligence or willful misconduct of any "Indemnatee."

25. This contract can be amended only by written agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the day first mentioned above.

COUNTY OF ALAMEDA

SERVICE PROVIDER

By: _____
President
Board of Supervisors

FAMILY EMERGENCY SHELTER COALITION

Contractor

21455 Birch Street, Ste #5

Address

Hayward, CA 94541

City, State, Zip Code

(510) 886 - 5473

Telephone Number

Approved as to form:

Donna R. Ziegler
County Counsel

By: Gay McDaniel
Gay McDaniel, Executive Director

Date: 11/02/12

By: [Signature]
William M. Fleishhacker
Deputy County Counsel

94 - 3029991

Tax Identification Number

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted,

EXHIBIT A
SCOPE OF WORK
FAMILY EMERGENCY SHELTER COALITION

Service Provider shall abide by the goals, objectives and outcomes outlined in the SHP grant number CA0094B9T021104 and outlined in the 2011 Renewal application which the Service Provider acknowledges having copy of.

Service Provider shall:

- a) Submit the Annual Performance Report within 30 days of the end of the contract period.
- b) Submit required information for the renewal application for next year's funding as requested in a timely manner.
- c) Submit required information for the technical submission for next year's funding as requested in a timely manner.
- d) Provide a contract liaison to the County who understands the SHP program regulations.
- e) Submit quarterly reports, which include information on both services rendered and operations.

Program Goals

A. Residential Stability

- 75% of residents will save enough money during their stay in the program for deposit, first month's rent and move-in costs for housing.
- 75% of families moving into housing will retain their housing for six months.
- Of those, 80% of families will retain their housing for one year.

B. Increased skills or income

- 80% of parents at any one time will be enrolled in a money management program.
- 70% of parents will secure, maintain or improve their employment, or increase their household income.
- 10% of parents will enter an educational program that leads to employment.

C. Greater Self-Determination

- 80% of parents will complete a 6-session series of parenting workshops or attend 6 parenting support group sessions.
- 80% of elementary school aged children will be engaged in children's activities.
- 80% of residents will increase self-determination through participating in the self-governing Residents Council.

EXHIBIT B
TERMS AND CONDITIONS FOR PAYMENT
BETWEEN
ALAMEDA COUNTY HOUSING & COMMUNITY DEVELOPMENT PROGRAM
AND
FAMILY EMERGENCY SHELTER COALITION (FESCO)
SHP GRANT CA0094B9T021104

1. COUNTY will pay SERVICE PROVIDER not more frequently than monthly, beginning December 1, 2012 and ending November 30, 2013, for services in accordance with the scope of work in Exhibit A. Payment will be in accordance with the conditions set forth below. SERVICE PROVIDER shall submit invoices including supporting documentation for costs invoiced. SERVICE PROVIDER shall have 30 days after the end of the contract to submit the final monthly billing.
 2. Total payment under the terms of this agreement shall not exceed \$77,900. \$45,000 for supportive services, \$31,000 for operating costs and \$1,900 for administrative costs. SERVICE PROVIDER shall provide \$29,396 cash match for the project, \$11,300 for supportive services and \$18,096 for operating costs. These funds must cover all costs to the SERVICE PROVIDER of providing or contracting for services, as no additional funds will be made available to reimburse expenses incurred in completing the Scope of Work described in this Exhibit A.
 3. Any request by SERVICE PROVIDER for the disbursement of funds under this contract must be accompanied by invoices or other documentation of costs incurred, and may not be submitted more often than monthly. Each request for payment shall be called an Invoice. An Invoice shall include the following three documents:
 - i Cover letter detailing month covered, invoice number, total amount requested and an official signature
 - ii The Invoice, on SERVICE PROVIDER'S letterhead, which reads like the approved budget detailing each line item and total budget amount, spent to date, current request and balance remaining columns.
 - iii A Summary of Expenses, by each budget line item and all costs associated with the line item listing the back up provided. (see iv)
 - iv Back up documentation for each expenditure must be kept on file with appropriate invoice for County monitoring.
 - v. A statement of match funds spent to date on the project and the source of matching funds.
- All funds disbursed to SERVICE PROVIDER must be expended within fifteen (15) days of approval of the receipt of funds.
4. Once this contract is finalized, the attached Services and Operating Budget, which is marked as Exhibit B – 1 and by reference made a part of this Contract, is considered final and approved. Any changes in the budget, including both increases and decreases of all line items, must be reviewed and approved by County Staff. SERVICE PROVIDER may request Budget revisions not more than **twice** during the contract period. County staff commits to review and respond to SERVICE PROVIDER within 30 days of receipt of such request. Increases in the total project budget, must be accompanied by a committed source of additional funds. All budget changes will be tracked by comparison to the original budget, each previous instance of change, and the final proposed budget. HCD Staff will return a copy of the request with an approval (or denial) and signature on the actual budget revision (if approved) for SERVICE PROVIDER'S records.

5. Upon the approval of the Community Development Agency Director or his designee, the amounts specified in this Exhibit B and in Exhibit B - 1 may be modified, so long as the total Budget does not exceed the maximum amount of the contract.
6. Any change in the budget that results in lower costs shall be communicated to COUNTY immediately. If Community Development Agency Director or his designee determines that the total amount of funds under this contract exceeds the amount necessary to complete the project, Community Development Agency Director or his designee may adjust the contract accordingly.
7. Bilingual Assistance. SERVICE PROVIDER will provide bilingual professional staff or contract services as needed to serve its clients.
8. Method of Payment. All requests for reimbursement will be in a format approved by the COUNTY and shall be submitted to the COUNTY on a monthly basis with supporting documentation of actual costs incurred. Requests for reimbursements must be received within 30 days of the end of each claim month.

Any adjustments made by the fiscal auditors at the year-end audit, under the AICPA guidelines and other relevant federal regulations should be brought to the attention of the County staff for reconciliation.

Monthly invoices should include, by line item, documentation of the expenditure including copies of invoices. Invoices will be approved by the Housing Director or her designee.

9. Requests for Adjustments to Budget Line Items. Once the line item budget has been approved through the execution of this contract, there can be no more than two (2) requests for adjustments to budget line item amounts during the contract period, including any final adjustments done at the end of the program year.

EXHIBIT B - 1
SERVICES AND OPERATING BUDGET
FAMILY EMERGENCY SHELTER COALITION
HUD GRANT CA0094B9T021104

A. Support Services Expense

Supportive Services	Project Budget	SHP Budget	Sponsor Match Funds
Outreach	\$1,751.56	\$1,400	\$351.56
Case Management	\$34,030.22	\$27,200	\$6,830.22
Life Skills	\$13,011.56	\$10,400	\$2,611.56
Children's Activities	\$3,753.33	\$3,000	\$753.33
Follow-up	\$3,753.33	\$3,000	\$753.33
Project Supportive Services Budget			
SHP Supportive Services Budget	\$56,300	\$45,000.00	\$1,1300
Sponsor Match funds			

B. Operating Expense

Operating Expense	Project Budget	SHP Contract Budget	Sponsor Match Funds
Maintenance / Repair	\$7,918.71	\$5,000	\$2,918.71
Staff	\$19,480.03	\$12,300	\$7,180.03
Utilities, phone	\$8,710.58	\$5,500	\$3,210.58
Supplies (cleaning, household)	\$475.12	\$300	\$175.12
Insurance, Tax Assessments	\$3,800.98	\$2,400	\$1,400.98
Food	\$3,959.35	\$2,500	\$1,459.35
Leasing Service Coordination	\$4,751.23	\$3,000	\$1,751.23
Total Project Operating Budget	\$49,096	\$31,000	\$18,096
Sponsor Match funds			
Total SHP Contract Budget	\$105,396	\$77,900	\$29,396
Program Administration		\$1,900	

C. Contract Summary Budget

Supportive Services	\$45,000
Operating	\$31,000
Admin to Sponsor	\$1,900
Total Contract	\$77,900

EXHIBIT C
COUNTY OF ALAMEDA MINIMUM INSURANCE REQUIREMENTS

Without limiting any other obligation or liability under this Agreement, the Contractor, at its sole cost and expense, shall secure and keep in force during the entire term of the Agreement or longer, as may be specified below, the following insurance coverage, limits and endorsements:

TYPE OF INSURANCE COVERAGES		MINIMUM LIMITS
A	Commercial General Liability Premises Liability; Products and Completed Operations; Contractual Liability; Personal Injury and Advertising Liability, Abuse, Molestation, Sexual Actions, and Assault and Battery	\$1,000,000 per occurrence (CSL) Bodily Injury and Property Damage
B	Commercial or Business Automobile Liability All owned vehicles, hired or leased vehicles, non-owned, borrowed and permissive uses. Personal Automobile Liability is acceptable for individual contractors with no transportation or hauling related activities	\$1,000,000 per occurrence (CSL) Any Auto Bodily Injury and Property Damage
C	Workers' Compensation (WC) and Employers Liability (EL) Required for all contractors with employees	WC: Statutory Limits EL: \$100,000 per accident for bodily injury or disease
D	Professional Liability/Errors and Omissions Includes endorsements of contractual liability	\$1,000,000 per occurrence \$2,000,000 aggregate
E	Directors and Officers Liability Including Employment Practices Liability	\$1,000,000 per occurrence
F	Employee Dishonesty (ED) and Crime (C) (ED) Required only if a significant amount of funding is advanced to contractor. (C) Required only if contractor keeps significant sums of money at premises	(ED) Minimum of 75% of the Funding (C) Minimum daily amount kept on premises
G	Endorsements and Conditions: <ol style="list-style-type: none"> ADDITIONAL INSURED: General Liability, Automobile Liability, and Directors and Officers Liability Insurance Policies shall be endorsed to name as additional insured: County of Alameda, its Board of Supervisors, the individual members thereof, and all County officers, agents, employees and volunteers. Employee Dishonesty and Crime Insurance Policy shall be endorsed to name as Loss Payee (as interest may arise): County of Alameda, its Board of Supervisors, the individual members thereof, and all County officers, agents, employees and volunteers. DURATION OF COVERAGE: All required insurance shall be maintained during the entire term of the Agreement with the following exception: Insurance policies and coverage(s) written on a claims-made basis shall be maintained during the entire term of the Agreement and until 3 years following termination and acceptance of all work provided under the Agreement, with the retroactive date of said insurance (as may be applicable) concurrent with the commencement of activities pursuant to this Agreement. REDUCTION OR LIMIT OF OBLIGATION: All insurance policies shall be primary insurance to any insurance available to the Indemnified Parties and Additional Insured(s). Pursuant to the provisions of this Agreement, insurance procured by the Contractor shall not reduce or limit Contractor's contractual obligation to indemnify and defend the Indemnified Parties. INSURER FINANCIAL RATING: Insurance shall be maintained through an insurer with a A.M. Best Rating of no less than A: VII or equivalent, shall be admitted to the State of California unless otherwise waived by Risk Management, and with deductible amounts acceptable to the County. Acceptance of Contractor's insurance by County shall not relieve or decrease the liability of Contractor hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. SUBCONTRACTORS: Contractor shall include all subcontractors as an insured (covered party) under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein. JOINT VENTURES: If Contractor is an association, partnership or other joint business venture, required insurance shall be provided by any one of the following methods: <ul style="list-style-type: none"> Separate insurance policies issued for each individual entity, with each entity included as a "Named Insured (covered party)", or at minimum named as an "Additional Insured" on the other's policies. Joint insurance program with the association, partnership or other joint business venture included as a "Named Insured." CANCELLATION OF INSURANCE: All required insurance shall be endorsed to provide thirty (30) days advance written notice to the County of cancellation. CERTIFICATE OF INSURANCE: Before commencing operations under this Agreement, Contractor shall provide Certificate(s) of Insurance and applicable insurance endorsements, in form and satisfactory to County, evidencing that all required insurance coverage is in effect. The County reserves the rights to require the Contractor to provide complete, certified copies of all required insurance policies. The required certificate(s) and endorsements must be sent to: <ul style="list-style-type: none"> Department/Agency issuing the contract With a copy to Risk Management Unit (125 – 12th Street, 3rd Floor, Oakland, CA 94607) 	



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/05/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Phone: (925) 930-9464 Fax: (925) 930-9949

STOUT INSURANCE BROKERS, INC.

P.O. BOX 2578

WALNUT CREEK CA 94595

CONTACT NAME: Stout Insurance Brokers, Inc.

PHONE (A/C, No, Ext): (925) 930-9464

FAX (A/C, No): (925) 930-9949

E-MAIL ADDRESS:

PRODUCER CUSTOMER ID: 151

Agency Lic#: 0D85886

INSURED

FAMILY EMERGENCY SHELTER COALITION

21455 BIRCH STREET, SUITE 5

HAYWARD, CA 94541

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A : Nonprofits Insurance Alliance of California

INSURER B : Castlepoint National Insurance Co.

INSURER C :

INSURER D :

INSURER E :

INSURER F :

COVERAGES

CERTIFICATE NUMBER: 27335

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			2012-02882-NPO	07/01/12	07/01/13	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED. EXP (Any one person) \$ 20,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COMP/OP AGG \$ 3,000,000
							EMPLOYEE BENEFITS LI \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY			2012-02882-NPO	07/01/12	07/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						\$
							\$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE		2012-02882-UMB-NPO	07/01/12	07/01/13	EACH OCCURRENCE \$ 1,000,000
	DEDUCTIBLE						AGGREGATE \$ 0
	RETENTION \$						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WCP-BC11821-11	07/01/12	07/01/13	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH ER \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y/N <input type="checkbox"/> N/A					E.L. EACH ACCIDENT \$ 1,000,000
							E.L. DISEASE-EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE-POLICY LIMIT \$ 1,000,000
A	D&O LIABILITY AND EPLI			2012-02882-NPO	07/01/12	07/01/13	\$1,000,000 OCC \$1,000,000 AGG
A	PROFESSIONAL LIABILITY			2012-02882-NPO	07/01/12	07/01/13	\$1,000,000 OCC \$1,000,000 AGG

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
CRIME AND EMPLOYEE DISHONESTY & THEFT; LIMIT PER OCCURRENCE \$40,000 DEDUCTIBLE \$1,000
FORGERY OR ALTERATION; LIMIT PER OCCURRENCE \$2,500 DEDUCTIBLE \$500

EVIDENCE OF INSURANCE

CERTIFICATE HOLDER

ALAMEDA COUNTY HOUSING AND
COMMUNITY DEVELOPMENT DEPT.
224 W. WINTON AVE., ROOM 108
HAYWARD, CA 94544-1215

Attention: KELLY THEIMANN, HCD MANAGER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Stephen T. Stout
Stephen T. Stout

EXHIBIT D
COUNTY OF ALAMEDA

DEBARMENT AND SUSPENSION CERTIFICATION
For Procurements Over \$25,000

The contractor, under penalty of perjury, certifies that, except as noted below, contractor, its principles, and any named subcontractor:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past three years;
- Does not have a proposed debarment pending; and
- Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessary result in denial of award, but will be considered in determining contractor responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Standard Services Agreement. Signing this Standard Services Agreement on the signature portion thereof shall also constitute signature of this Certification.

CONTRACTOR: FAMILY EMERGENCY SHELTER COALITION

PRINCIPAL: GAY MCDANIEL TITLE: EXECUTIVE DIRECTOR

SIGNATURE: *Gay McDaniel* DATE: 11/02/12

EXHIBIT E

ALAMEDA COUNTY AFFIRMATIVE ACTION PLAN UNDER SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

PURPOSE

To insure that to the greatest extent feasible, projects financed by the Alameda County Housing and Community Development Program provide business and employment opportunities for businesses in the Alameda County project areas funded by Supportive Housing Program (SHP).

In all contracts for work in connection with a Community Development project, the following clause (referred to as the Section 3 Clause), will be included:

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD 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.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate actions, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but not before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
7. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 405e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

SECTION 3 EMPLOYMENT PLAN

NAME OF CONTRACTOR: Family Emergency Shelter Coalition

Services to be Provided: Operation of housing and supportive services for homeless families.

Contract Amount: **\$77,900**

- ☐ Contract amount does not exceed Section 3 dollar threshold. Section 3 requirements do not apply.
- ☒ Contract does not include housing rehabilitation, housing construction or other public construction. Section 3 requirements do not apply.
- ☐ Section 3 requirements do apply. Contractor has been notified of Section 3 requirements and has completed the anticipated work force analysis below.

The following work force is anticipated to be necessary to satisfactorily complete this work:

Job Classifications

Existing Work Force

Anticipated New Hires

CONTRACTOR agrees to undertake a good faith effort to comply with all of the provisions of Section of the Housing and Urban Development Act of 1968.

Contractor

Gay McDaniel, Executive Director

Name and Title

Gay McDaniel 11/02/12

Date

EXHIBIT F

PROPERTY MANAGEMENT STANDARDS

1. This attachment prescribes uniform standards governing the utilization and disposition of property furnished by the Federal Government or acquired in whole or in part with Federal funds by State and local governments. Federal grantor agencies shall require State and local governments to observe these standards under grants from the Federal Government and shall not impose additional requirements unless specifically required by Federal law. The grantees shall be authorized to use their own property management standards and procedures as long as the provisions of this attachment are included.
2. The following definitions apply for the purpose of this attachment:
 - a. Real property. Real property means land, land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.
 - b. Personal property. Personal property means property of any kind except real property. It may be tangible -- having physical existence, or intangible -- having no physical existence, such as patents, inventions, and copyrights.
 - c. Nonexpendable personal property. Nonexpendable personal property means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. A grantee may use its own definition of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined above.
 - d. Expendable personal property. Expendable personal property refers to all tangible personal property other than nonexpendable property.
 - e. Excess property. Excess property means property under the control of any Federal agency which, as determined by the head thereof, is no longer required for its needs.
3. Each Federal grantor agency shall prescribe requirements for grantees concerning the use of real property funded partly or wholly by the Federal Government. Unless otherwise provided by statute, such requirements, as a minimum, shall contain the following:
 - a. The grantee shall use the real property for the authorized purpose of the original grant as long as needed.
 - b. The grantee shall obtain approval by the grantor agency for the use of the real property in other projects when the grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs, or programs that have purposes consistent with those authorized for support by the grantor.
 - c. When the real property is no longer needed as provided in a. and b., above, the grantee shall return all real property furnished or purchased wholly with Federal grant funds to the control of the Federal grantor agency. In the case of property purchased in part with Federal grant funds, the grantee may be permitted to take title to the Federal interest therein upon compensating the Federal Government for its fair share of the property. The Federal share of the property shall be the amount computed by applying the percentage of the Federal participation in the total cost of the grant program for which the property was acquired to the current fair market value of the property.
4. Standards and procedures governing ownership, use, and disposition of nonexpendable personal property furnished by the Federal Government or acquired with Federal funds are set forth below:

- a. Nonexpendable personal property acquired with Federal funds. When nonexpendable personal property is acquired by a grantee wholly or in part with Federal funds, title will not be taken by the Federal Government except as provided in paragraph 4a(4), but shall be vested in the grantee subject to the following restrictions on use and disposition of the property:
- (1) The grantee shall retain the property acquired with Federal funds in the grant program as long as there is a need for the property to accomplish the purpose of the grant program whether or not the program continues to be supported by Federal funds. When there is no longer a need for the property to accomplish the purpose of the grant program, the grantee shall use the property in connection with other Federal grants it has received in the following order of priority:
 - (a) Other grants of the same Federal grantor agency needing the property.
 - (b) Grants of other Federal agencies needing the property.
 - (2) When the grantee no longer has need for the property in any of its Federal grant programs, the property may be used for its own official activities in accordance with the following standards:
 - (a) Nonexpendable property with an acquisition cost of less than \$500 and used four years or more. The grantee may use the property for its own official activities without reimbursement to the Federal Government or sell the property and retain the proceeds.
 - (b) All other nonexpendable property. The grantee may retain the property for its own use provided that a fair compensation is made to the original grantor agency for the latter's share of the property. The amount of compensation shall be commuted by applying the percentage of Federal participation in the grant program to the current fair market value of the property.
 - (3) If the grantee has no need for the property, disposition of the property shall be made as follows:
 - (a) Nonexpendable property with an acquisition cost of \$1,000 or less. Except for that property which meets the criteria of (2)(a) above, the grantee shall sell the property and reimburse the Federal grantor agency an amount which is computed in accordance with (iii) below.
 - (b) Nonexpendable property with an acquisition cost of over \$1,000. The grantee shall request disposition instructions from the grantor agency. The Federal agency shall determine whether the property can be used to meet the agency's requirement. If no requirement exists within that agency, the availability of the property shall be reported to the General Services Administration (GSA) by the Federal agency to determine whether a requirement for the property exists in other Federal agencies. The Federal grantor agency shall issue instructions to the grantee within 120 days and the following procedures shall govern:
 - (i) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the grantee's participation in the grant program to the current fair market value of the property, plus any shipping or interim storage costs incurred.

- (ii) If the grantee is instructed to otherwise dispose of the property, he shall be reimbursed by the Federal grantor agency for such costs incurred in its disposition.
 - (iii) If disposition instructions are not issued within 120 days after reporting, the grantee shall sell the property and reimburse the Federal grantor agency an amount which is computed by applying the percentage of Federal participation in the grant program to the sales proceeds. Further, the grantee shall be permitted to retain \$100 or 10 percent of the proceeds, whichever is greater, for the grantee's selling and handling expense.
 - 4. Where the grantor agency determines that property with an acquisition cost of \$1,000 or more and financed solely with Federal funds is unique, difficult, or costly to replace, it may reserve title to such property, subject to the following provisions:
 - (a) The property shall be appropriately identified in the grant agreement or otherwise made known to the grantee.
 - (b) The grantor agency shall issue disposition instructions within 120 days after the completion of the need for the property under the Federal grant for which it was acquired. If the grantor agency fails to issue disposition instructions within 120 days, the grantee shall apply the standards of 4a(1), 4a(2)(b) and 4a(3)(b).
 - b. Federally-owned nonexpendable personal property. Unless statutory authority to transfer title has been granted to an agency, title to Federally-owned property (property to which the Federal Government retains title including excess property made available by the Federal grantor agencies to grantees) remains vested by law in the Federal Government. Upon termination of the grant or need for the property, such property shall be reported to the grantor agency for further agency utilization or, if appropriate, for reporting to the General Services Administration for other Federal agency utilization. Appropriate disposition instructions will be issued to the grantee after completion of Federal agency review.
- 5. The grantees' property management standards for nonexpendable personal property shall also include the following procedural requirements.
 - a. Property records shall be maintained accurately and provide for: a description of the property; manufacturer's serial number or other identification number; acquisition date and cost; source of the property; percentage of Federal funds used in the purchase of property; location, use, and condition of the property; and ultimate disposition data including sales price or the method used to determine current fair market value if the grantee reimburses the grantor agency for its share.
 - b. A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the property.
 - c. A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft to the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.
 - d. Adequate maintenance procedures shall be implemented to keep the property in good condition.
 - e. Proper sales procedures shall be established for unneeded property which would provide for competition to the extent practicable and result in the highest possible return.

6. When the total inventory value of any unused expendable personal property exceeds \$500 at the expiration of need for any Federal grant purposes, the grantee may retain the property or sell the property as long as he compensates the Federal Government for its share in the cost. The amount of compensation shall be computed in accordance with 4a(2)(b).
7. Specified standards for control of intangible property are provided as follows:
 - a. If any program produces patentable items, patent rights, processes, or inventions, in the course of work aided by a Federal grant, such fact shall be promptly and fully reported to the grantor agency. Unless there is prior agreement between the grantee and grantor on disposition of such items, the grantor agency shall determine whether protection on such invention or discovery shall be sought and how the rights in the invention or discovery -- including rights under any patent issued thereon -- shall be allocated and administered in order to protect the public interest consistent with "Government Patent Policy" (President's Memorandum for Heads of Executive Departments and Agencies, August 23, 1971, and Statement of Government Patent Policy as printed in 36 F.R. 16889).
 - b. Where the grant results in a book or copyrightable material, the author or grantee is free to copyright the work, but the Federal grantor agency reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.