



INFORMATIONAL MEMORANDUM

TO: Community Services and Safety

FROM: Stacy Hansen, Human Services Program Coordinator

**CC: Mayor Ekberg
David Cline, City Administrator**

DATE: January 14, 2021

SUBJECT: 2020 King County Minor Home Repair Contract

ISSUE

Council's authorization is necessary for the City to enter into a contract with King County to utilize Community Development Block Grant (CDBG) funds for the Minor Home Repair Program. This contract for \$100,000 will be dispersed between Tukwila (lead contract administrator), Covington, Des Moines and SeaTac. Each City will receive \$25,000 to provide health and safety repairs in low- to moderate-income, owner-occupied homes.

BACKGROUND

Since 2005, Tukwila has been the lead administrator for the Minor Home Repair Program. The attached contract represents 2020 awarded funds in the amount of \$100,000 (CDBG funds lag one year). The contract will begin mid-February and will conclude mid-November of 2021.

In 2020 (with 2019 funds), the total program served 49 unduplicated residents and provided 446 hours of repairs in all four partner cities. 15 unduplicated Tukwila households were served in 2020 representing 135 hours of repairs for a total of 26 individual repairs.

DISCUSSION

This contract award is the result of an extensive application process that competes with other applicants (cities, non-profits) for funds dedicated to the south sub-region. The Tukwila Human Services Program Coordinator applies for and administers the Minor Home Repair Program and provides on-going technical assistance to the partner cities to ensure contract compliance.

RECOMMENDATION

Staff is asking Council to forward this item to the February 8, 2021 Special Meeting consent agenda.

ATTACHMENTS

2020 Contract with King County for Community Development Block Grant funds to administer the Minor Home Repair Program.



Contractor	<u>City of Tukwila</u>		
Project Title	<u>Tukwila Minor Home Repair Program</u>		
Contract Amount \$	<u>104,000</u>		
Contract Start Date:	<u>01/01/2021</u>	Contract End Date	<u>12/31/2021</u>
Termination Date (where applicable):	<u>12/31/2021</u>		
DUNS No. (if applicable)	<u>010207504</u>	SAM No. (if applicable)	<u>47Z60</u>
Federal Taxpayer ID No.	<u>916001519</u>		

KING COUNTY HOUSING AND COMMUNITY DEVELOPMENT CONTRACT— 2021/22

THIS CONTRACT No. 6202035 is entered into by KING COUNTY, a political subdivision of the State of Washington (the "County"), and City of Tukwila, (the "Contractor"), whose address is 6200 Southcenter Blvd, Tukwila, WA 98188. This Contractor is a Public Housing Authority. Use of the term "Contractor" in this Contract is for ease of reference only and in no respect signifies that the party is a "Contractor" as described in 24 CFR §92.504(c)(4).

WHEREAS, the County is an Urban County recipient of Community Development Block Grant Program (CDBG) funds under the Housing and Community Development Act of 1974, Public Law 93-383 as amended (HCD Act); HOME Investment Partnerships Program (HOME) funds under the National Affordable Housing Act of 1990 Public Law 101-625 as amended (the "NAHA"). The County allocates Regional Affordable Housing Program (RAHP) funds, Homeless Housing and Services Funds (HHSF), , Veterans, Seniors and Human Service Levy (VSHSL) funds and Mental Illness and Drug Dependency (MIDD) funds to low-income housing development capital, infrastructure investment, energy efficiency and science, assistance to the unemployed and/or service projects and Current Expense (CX) funds to housing and community development projects in accordance with adopted County ordinances. The County uses CDBG, HOME, HHSF, RAHP, VSHSL funds and/or CX funds for the purpose of carrying out eligible community development and housing activities under the HCD Act, the NAHA, regulations promulgated by the U.S. Department of Housing and Urban Development (HUD) at 24 Code of Federal Regulations (CFR) Part 570, 24 CFR Part 92, 24 CFR Part 576, and adopted County Ordinances. (All 24 CFR references can be found at <https://www.archives.gov/federal-register/cfr/subject-title-24.html>. All King County code references can be found at http://www.kingcounty.gov/council/legislation/kc_code.aspx);

WHEREAS, an Urban County CDBG Consortium has been established by CDBG Interlocal Cooperation Agreements (CDBG ICAs) or joint agreements between the County and certain municipal corporations (Consortium Cities) within the County covering program years 2017-2019. The CDBG ICAs specify allocation of CDBG funds by the County to those participating jurisdictions for use in accordance with the County Consolidated Housing and Community Development Plan (HCD Plan). The HCD Plan has been adopted by the King County Council, accepted by participating jurisdictions and approved by HUD;

WHEREAS, a HOME Consortium has been established by HOME ICAs between the County and certain HOME Consortium Cities covering 2017-2019, the terms of which specify allocation of HOME funds by the County for use in accordance with the HCD Plan which has been adopted by the King County Council, accepted by participating jurisdictions, and approved by HUD;

WHEREAS, the County desires to award certain funds to the Contractor for use as described in this Contract and as authorized by County ordinance, for the purpose of implementing eligible activities as applicable under the HCD Act, NAHA, HUD regulations, State laws, and/or adopted County ordinances;

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

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

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

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

INDEX TO CONTRACT

1. SCOPE OF CONTRACT AND INCORPORATION OF EXHIBITS.....	4	29. SERVICES PROVIDED IN ACCORDANCE WITH LAW AND RULE AND REGULATION.....	36
2. DURATION OF CONTRACT.....	6	30. POLITICAL ACTIVITY PROHIBITED...	36
3. TERM OF COMPLIANCE - for capital projects	6	31. FORCE MAJEURE.....	37
4. FUTURE SUPPORT	6	32. MISCELLANEOUS PROVISIONS	38
5. COMPENSATION AND METHOD OF PAYMENT	6	33. AFFIRMATIVE MARKETING.....	39
6. BUDGET.....	8	34. ACCESSIBILITY FOR CAPITAL PROJECTS	39
7. EQUIPMENT PURCHASE, MAINTENANCE, AND OWNERSHIP.....	8	35. LABOR STANDARDS	40
8. CONTRACT AMENDMENTS.....	9	36. EMPLOYMENT OPPORTUNITIES ON ASSISTED CONSTRUCTION PROJECTS	40
9. INTERNAL CONTROL, ACCOUNTING SYSTEM AND FINANCIAL REPORT SUBMISSION	9	37. NO BENEFIT TO OWNERS AND DEVELOPERS OF ASSISTED HOUSING.....	41
10. MAINTENANCE OF RECORDS	11	38. SUPPLANTING	41
11. EVALUATIONS AND INSPECTIONS ..	13	39. DRUG FREE WORKPLACE CERTIFICATION AND OTHER FEDERAL REQUIREMENTS	41
12. PROPRIETARY RIGHTS.....	14	40. CONSTITUTIONAL PROHIBITION	42
13. CORRECTIVE ACTION	14	41. PROMISSORY NOTE, DEED OF TRUST AND COVENANT	42
14. ASSIGNMENT	15	42. ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE FOR CAPITAL PROJECTS.....	42
15. TERMINATION.....	16	43. PROPERTY MANAGEMENT FOR CAPITAL PROJECTS.....	43
16. ENTIRE CONTRACT/WAIVER OF DEFAULT	17	44. TAXES AND LICENSES.....	44
17. HOLD HARMLESS AND INDEMNIFICATION	17	45. PROCEDURE IN THE EVENT OF CASUALTY/CONDEMNATION FOR CAPITAL PROJECTS.....	44
18. INSURANCE REQUIREMENTS— GENERAL.....	18		
19. NONDISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY	23		
20. SUBCONTRACTS AND PURCHASES	28		
21. NONDISCRIMINATION IN SUBCONTRACTING PRACTICES	30		
22. CONFLICT OF INTEREST	31		
23. BOARD OF DIRECTORS	32		
24. CONFIDENTIALITY	32		
25. PERSONAL INFORMATION – NOTICE OF SECURITY BREACH	32		
26. COMPLIANCE WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)	34		
27. NOTICES.....	36		
28. KING COUNTY RECYCLED PRODUCT PROCUREMENT POLICY	36		

EXHIBITS ATTACHED HERETO

	Exhibit Name	Amount	Fund Source
I.	Tukwila Minor Home Repair Program	\$104,000	CDBG

1. SCOPE OF CONTRACT AND INCORPORATION OF EXHIBITS

A. Scope

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

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

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

B. Mandatory Certifications

The Contractor certifies that it shall comply with the provisions of Sections 19. Nondiscrimination and Equal Employment Opportunity, 22. Conflict of Interest and 30. Political Activity Prohibited of this Contract. If the Contractor is a municipal corporation (other than King County), or Contractor of the state of Washington, King County Code (KCC) chapters 12.16, 12.17 and 12.18 do not apply to the Contractor, but may apply to any subcontractor of the Contractor.

C. Contact Person

King County and the Contractor shall each designate a contact person for each Project/Program Exhibit incorporated in this Contract. All correspondence, reports and invoices shall be directed to the designated contact person. This provision does not, however, supplant or override Section 27. Notices.

D. Federal Funds

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

E. Environmental Review

This section applies to all projects using federal funds that are not exempt under 24 CFR Part 58. Notwithstanding any provision of this contract, the parties hereto agree and acknowledge that this contract does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt of a release of funds from HUD under 24 CFR Part 58. The parties further agree that the provision of any funds to the project is conditioned upon King County's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. The Contractor shall not spend any funds on physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. Violation of this provision shall result in the denial of any funds under this Contract.

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

F. Environmental Policy Act

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

G. National Flood Insurance

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

H. Lead Based Paint

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

I. Environmental Justice

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

J. Subrecipient Monitoring

- i. First-tier subrecipients shall register in the Central Contractor Registration (CCR), including obtaining a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain the currency of that information. A pass-through entity shall be responsible for determining that subrecipients have current CCR registrations prior to making subawards and performing periodic checks to ensure that the subrecipients are updating information as necessary.
- ii. Recipients shall require each subrecipient to;
 - a. Document at the time of the subaward and disbursement of funds, the Federal award number, Catalog of Federal Domestic Assistance (CFDA) number; and
 - b. Provide similar identification in their Schedule of Expenditures of Federal Awards (SEFA) and Form SF-SAC. Additional information, including presentation requirements for the SEFA and SF-SAC, is provided in Appendix VII of the 2009 Supplement (2 CFR Section 176.210).

2. **DURATION OF CONTRACT**

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

3. **TERM OF COMPLIANCE - for capital projects**

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

4. **FUTURE SUPPORT**

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

5. **COMPENSATION AND METHOD OF PAYMENT**

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

A. Start Date and End Date

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

B. Submission of Invoices, Supporting Documentation and Reports

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

C. Final Invoice for Service Projects

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

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

D. Final Invoice for Capital Projects

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

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

E. Unspent County Funds

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

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

F. Municipal Corporations or State Public Agencies

If the Contractor is a municipal corporation or an agency of the State of Washington, costs for which the Contractor requests reimbursement shall comply with the policies, guidelines, and requirements of 2 CFR Part 225, "Cost Principles For State, Local and Indian Tribal Governments" and the sections of 24 CFR Part 85 "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally

Recognized Indian Tribal Governments” identified at OMB Circular A -102 and 24 CFR § 570.502(a) Applicability of Uniform Administrative Requirements, unless otherwise provided in the Project/Program Exhibit(s).

G. Not-for-profit Corporations

If the Contractor is a not-for-profit corporation, costs for which the Contractor requests reimbursement shall comply with, unless otherwise provided in the Project/Program Exhibit(s), the policies, guidelines and requirements of 2 CFR Part 230, "Cost Principles for Non-Profit Organizations," and the sections of 24 CFR Part 84, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, identified at 2 CFR Part 215 and 24 CFR § 570.502 (b), Applicability of Uniform Administrative Requirements.

H. Excess Federal Funds

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

I. Program Income

The Contractor shall report all CDBG and HOME Program Income, as defined in 24 CFR §§ 92.2, 92.503 and 570.504(c) and in the ICAs, generated under this Contract for the purposes specified herein or generated through the project(s) funded under this Contract. Program Income is to be reported to the County. Program income shall be returned to the County unless the County specifies that it may be retained by the Contractor. If the County authorizes the Contractor to retain the Program Income to continue or benefit a project(s), the Contractor shall comply with all provisions of this Contract in expending the funds. This duty to repay the County shall not be diminished or extinguished by the prior termination of the Contract pursuant to Section 2. Duration of Contract or Section 15. Termination.

J. Reimbursement for Travel:

The Contractor will not be reimbursed for travel unless otherwise specified within an Exhibit.

6. **BUDGET**

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

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

A. Equipment Purchase

The Contractor agrees that when Contract funds are used to pay for all or part of the purchase costs of any equipment purchased with Contract funds at a cost of \$5,000 per item or more and identified in an exhibit as reimbursable, is upon its purchase or receipt, the property of the Contractor, County, and/or federal, and/or state government, as specified in the exhibit. The Contractor shall be responsible for all proper care and maintenance of the equipment, including securing and insuring such equipment.

B. Maintenance of Equipment

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

C. Equipment Returned

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

D. Right of Access

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

E. Maintenance of Records

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

F. Disposition of Equipment

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

8. **CONTRACT AMENDMENTS**

Either party may request changes or an extension to this Contract. Proposed amendments, which are mutually agreed upon, shall be incorporated by written amendments to this Contract. Budget revisions approved by the County pursuant to Section 6. Budget are not required to be incorporated by written amendment.

9. **INTERNAL CONTROL, ACCOUNTING SYSTEM AND FINANCIAL REPORT SUBMISSION**

A. Internal Control and Accounting

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

B. Financial Report Submission

The Contractor is required to submit a financial reporting package as described in A through C below. All required documentation must be submitted by email to DCHSContracts@kingcounty.gov by the stated due date.

- i. If the Contractor is a Non-Federal entity as defined in 2 CFR Part 200.69, and expends \$750,000 or more in Federal awards during its fiscal year, then the Contractor shall meet the audit requirements in 2 CFR Part 200 Subpart F. Audit packages are due to the County within nine months after the close of the Contractor’s fiscal
- ii. If the Contractor is a local government in the State of Washington and is not subject to the requirements in subsection A, the Contractor shall submit audited financial statements that are in accordance with the Washington State Auditor’s Office requirements. Financial statement audits are due to the County within 150 days after the close of the Contractor’s fiscal year end as required by RCW 43.09.230.
- iii. If the Contractor is not subject to the requirements in subsection A or B, the following apply:

Entity Type	Non-Profit		For Profit	
Gross Revenue	Gross Revenue Under <u>\$3M</u> on average in the previous three fiscal years.	Gross Revenue Over <u>\$3M</u> on average in the previous three fiscal years.	Gross Revenue Under <u>\$3M</u> on average in the previous three fiscal years.	Gross Revenue Over <u>\$3M</u> on average in the previous three fiscal years.
Required Documentation	<ul style="list-style-type: none"> • Form 990 within 30 days of its being filed; and • A full set of annual internal financial statements 	Audited financial statements prepared by an independent Certified Public Accountant or Accounting Firm	<ul style="list-style-type: none"> • Income tax return; and • A full set of annual internal financial statements 	Audited financial statements prepared by an independent Certified Public Accountant or Accounting Firm
Due Date	Within 30 calendar days from the forms being filed.	Within 9 months following the close of the Contractor’s fiscal year.	Within 30 calendar days from the forms being filed.	Within 9 months following the close of the Contractor’s fiscal year.

C. Waiver

A Contractor that is not subject to the requirements in subsection A may, in extraordinary circumstances, request, and in the County’ sole discretion be granted, a waiver of the audit requirements. Such requests are made to the County at: DCHSContracts@kingcounty.gov for review. If approved by the County, the Contractor may substitute for the above requirements other forms of financial reporting or fiscal

representation certified by the Contractor's Board of Directors, provided the Contractor meets the following criteria:

- i. Financial reporting and any associated management letter show no reportable conditions or internal control issues; and
- ii. There has been no turnover in key staff since the beginning of the period for which the financial reporting was completed.

D. Municipal Corporations

If the Contractor is a municipal corporation in the state of Washington, it shall submit to the County a copy of its annual report of examination/audit, conducted by the Washington State Auditor, within 30 days of receipt, which submittal shall constitute compliance with Section 9. Internal Control, Accounting Systems and Audits.

E. Catalog of Federal Domestic Assistance

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

10. **MAINTENANCE OF RECORDS**

A. Scope of Records

The Contractor shall maintain accounts and records, including personnel, property, financial, and programmatic records and other such records specified in each Project/Program Exhibit or otherwise the County may deem necessary accounting and compliance with this Contract.

B. Time for Retention of Records

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

C. Location of Records/Notice to County

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

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

D. Federal Exceptions to Retention Requirements

Exceptions to the six year retention period are as follows: (1) Records that are the subject of audit findings, litigation, or claims shall be retained until such findings, litigation or claims have been resolved; and (2) The retention period for real property and

equipment records starts from the date of the disposition, replacement or transfer at the direction of the County.

E. Financial Management Records

Financial records shall identify adequately the source and application of funds for activities within this Contract, in accordance with the provisions of 2 CFR Part 200. These records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income.

F. Tenant Notification and Relocation Records

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

G. Acquisition Records

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

H. Beneficiary Records

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

I. Labor Standards

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

J. Other Construction Records

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

K. Employment Records

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

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

L. Records Regarding Remedy of Past Discrimination

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

M. Record-Keeping Requirements and Site Visits

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

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

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

11. **EVALUATIONS AND INSPECTIONS**

A. Right of Access to Facilities for Inspection of Records

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

B. Time for Inspection and Retention

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

C. Agreement to Cooperate

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

12. **PROPRIETARY RIGHTS**

A. Ownership Rights of Materials Resulting from Contract:

Except as indicated below or as described in an Exhibit, the parties to this Contract hereby agree that if any patentable or copyrightable material or article should result from the work described herein, all rights accruing from such material or article shall be the sole property of the County. To the extent that any rights in such materials vest initially with the Contractor by operation of law or for any other reason, the Contractor hereby perpetually and irrevocably assigns, transfers and quitclaims such rights to the County. The County agrees to and does hereby grant to the Contractor a perpetual, irrevocable, nonexclusive, and royalty-free license to use and create derivative works, according to law, any material or article and use any method that may be developed as part of the work under this Contract.

B. Ownership Rights of Previously Existing Materials:

The Contractor shall retain all ownership rights in any pre-existing patentable or copyrightable materials or articles that are delivered under this Contract, but do not originate from the work described herein. The Contractor agrees to and does hereby grant to the County a perpetual, irrevocable, nonexclusive, and royalty-free license to use and create derivative works, according to law, any pre-existing material or article and use any method that may be delivered as part of the work under this Contract.

C. Continued Ownership Rights:

The Contractor shall sign all documents and perform other acts as the County deems necessary to secure, maintain, renew, or restore the rights granted to the County as set forth in this section.

13. **CORRECTIVE ACTION**

If the County determines that the Contractor failed to comply with any material terms or conditions of this Contract or the Contractor has failed to provide in any manner the work or services (each a "breach"), and if the County determines that the breach warrants corrective action, the following procedure shall apply.

A. Written Notification

The County shall notify the Contractor in writing of the nature of the breach.

B. Contractor's Correction Plan

The Contractor shall respond with a written corrective action plan within ten working days of its receipt of such notification unless the County, at its sole discretion, extends in writing the response time. The plan shall indicate the steps being taken to correct the specified breach and shall specify the proposed completion date for curing the breach. This date shall not be more 30 days from the date of the Contractor's response, unless the County, at its sole discretion, specifies in writing an extension to complete the corrective actions

C. County's Determination of Corrective Action Plan Sufficiently

The County will determine the sufficiency of the Contractor's proposed corrective action plan, then notify the Contractor in writing of that determination. The determination of sufficiency of the Contractor's corrective action plan shall be at the sole discretion of the County.

D. Termination or Suspension of Contract

If the Contractor does not respond within the appropriate time with a corrective action plan, or the Contractor's corrective action plan is determined by the County to be insufficient, the County terminate or suspend this Contract in whole or in part pursuant to Subsection 15. Termination Subsection B.

E. County Withholding of Payment

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

F. No Waiver of Other Remedies

Nothing herein shall be deemed to affect or waive any rights the parties may have pursuant to Section 15. Termination or other remedies authorized by law.

14. **ASSIGNMENT**

The Contractor shall not assign, transfer or subcontract any portion of this Contract or transfer or assign any claim arising pursuant to this Contract without the prior written consent of the County. Additional terms for County consent to such assignment, transfer or subcontract may be described in a Project/Program Exhibit and, where expressly specified in the Project/Program Exhibit, shall supersede the requirements and limitations of this Section 14. Said consent must be sought in writing by the Contractor not less than 15 business days prior to the date of any proposed assignment, transfer or subcontract. The Contractor shall deliver to the County with its request for consent, such information regarding the proposed assignee, transferee or subcontractee, including its proposed mission, legal status, and financial and management capabilities as is reasonably available to the Contractor. Within 15 days after such request for consent, King County may reasonably request additional available information on the proposed assignee, subcontractee or transferee. If the County shall give its

consent, this section shall nevertheless continue in full force and effect. Any assignment, transfer or subcontract without prior County consent shall be void.

15. **TERMINATION**

A. Termination for Convenience

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

B. Termination for Cause

- i. The County may terminate this Contract, in whole or in part, upon seven days advance written notice to the Contractor:
 - a. The Contractor breaches any duty, obligation, or service required pursuant to this Contract and either (a) the corrective action process described in Section 10 fails to cure the breach or (b) the County determines; or
 - b. The duties, obligations, or services required herein become impossible, illegal or not feasible.
- ii. If the County terminates the Contract pursuant to this Section 15. Termination, Subsection B. the Contractor shall be liable for damages, including any additional costs of procuring similar services from another source.
- iii. If the termination results from acts or omissions of the Contractor, including but not limited to misappropriation, nonperformance of required services, or fiscal mismanagement, the Contractor shall return to the County immediately any funds, misappropriated or unexpended, that have been paid to the Contractor by the County.
- iv. If expected or actual funding is withdrawn, reduced, or limited in any way prior to the termination date set forth above in Section II. Duration of Contract, the County may, upon seven business days advance written notice to the Contractor, terminate this Contract in whole or in part.
- v. If the Contract is terminated as provided in this subsection:

- a. The County shall be liable only for payment in accordance with the terms of this Contract for services rendered and authorized purchase made prior to the effective date of termination; and
 - b. The Contractor shall be released from any obligation to provide such further services pursuant to the Contract as are affected by the termination.
- vi. Funding or obligation under this Contract is conditional upon appropriation by the County Council of sufficient funds to support the activities described in the Contract. If such appropriation is not approved, this Contract shall terminate at the close of the current appropriation.

C. Non-Waiver of Rights

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

16. **ENTIRE CONTRACT/WAIVER OF DEFAULT**

The parties agree that this Contract is the complete expression of the described subject matter, and any oral or written representations or understandings not incorporated herein are excluded. Both parties recognize that time is of the essence in the performance of this Contract. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such through written approval by the County, which shall be attached to the original Contract.

17. **HOLD HARMLESS AND INDEMNIFICATION**

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

The County assumes no responsibility for the payment of any compensation, wages, benefits, or taxes, by, or on behalf of the Contractor, its employees, and/or others by reason of this Contract. The Contractor shall protect, indemnify, defend and save harmless the County, its officers, agents, and employees from and against any and all claims, costs, and/or losses whatsoever occurring or resulting from (1) the Contractor's failure to pay any such compensation, wages, benefits, or taxes, and/or (2) the supplying to the Contractor of work, services, materials, or supplies by Contractor employees or other suppliers in connection with or support of the performance of this Contract.

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

- C. To the maximum extent permitted by law, the Contractor shall protect, defend, indemnify, and save harmless the County, its officers, employees, and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Contractor, its officers, employees, subcontractors and/or agents, in its performance and/or non-performance of its obligations under this Contract. The Contractor agrees that its obligations under this subparagraph extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the Contractor, by mutual negotiation, hereby waives, as respects the County only, any immunity that would otherwise be available against such claims under any industrial insurance act, including [Title 51 RCW](#), other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. In addition, the Contractor shall protect and assume the defense of the County and its officers, agents and employees in all legal or claim proceedings arising out of, in connection with, or incidental to its indemnity obligation; and shall pay all defense expenses, including reasonable attorney's fees, expert fees and costs incurred by the County on account of such litigation or claims. [Title 51 RCW](#). If the County incurs any judgment, award, and/or cost arising therefrom including reasonable attorneys' fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the Contractor.
- D. To the maximum extent permitted by law, the County shall protect, defend, indemnify, and save harmless the Contractor, its officers, employees, and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the County, its officers, employees, and/or agents, in its performance and/or non-performance of its obligations under this Contract. The County agrees that its obligations under this subparagraph extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, the County, by mutual negotiation, hereby waives, as respects the Contractor only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event the Contractor incurs any judgment, award, and/or cost arising therefrom including reasonable attorneys' fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the County.
- E. For purposes of this section, claims shall include, but not be limited to, assertions that use or transfer of software, book, document, report, film, tape, or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, and/or otherwise results in unfair trade practice.
- F. The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Contract.

18. **INSURANCE REQUIREMENTS—GENERAL**

A. Insurance Required

The Contractor shall procure and maintain for the term of this Contract, insurance covering King County as an additional insured, as described in this section, against claims which may arise from, or in connection with, the performance of work hereunder by the Contractor, its agents, representatives, employees and/or contractor/subcontractors. The Contractor or contractor/subcontractor shall pay the costs

of such insurance. The Contractor shall furnish separate certificates of insurance and policy endorsements from each contractor/subcontractor as evidence of compliance with the insurance requirements of this Contract.

Contractor shall provide evidence of the insurance required under this Contract, including a Certificate of Insurance and Endorsements covering King County as additional insured for full coverage and policy limits within 10 business days of signing the contract.

Evidence of Insurance and Endorsements shall be submitted by email to DCHSContracts@kingcounty.gov. The Contractor may request additional time to provide the required documents by emailing DCHSContracts@kingcounty.gov. Extensions will be granted at the sole discretion of DCHS.

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

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

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded by said policies, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained in this provision shall affect and/or alter the application of any other provision contained within this Contract.

B. Risk Assessment by Contractor

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

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

i. General Liability

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

ii. Professional Liability, Errors and Omissions Coverage

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

iii. Automobile Liability

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

iv. Workers’ Compensation

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

v. Stop Gap/Employers Liability

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

vi. Property Insurance

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

vii. National Flood Insurance

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

viii. Builder's Risk/Installation Floater

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

D. Minimum Limits of Insurance—Capital Projects

The Contractor shall maintain limits no less than the following:

- i. Commercial General Liability: \$1,000,000 combined single limit per occurrence by bodily injury, personal injury, and property damage; and for those policies with aggregate limits, a \$2,000,000 aggregate limit.

- ii. Professional Liability, Errors, and Omissions: \$1,000,000, Per Claim and in the Aggregate.
- iii. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage if the use of motor vehicles is contemplated.
- iv. Workers' Compensation: Statutory requirements of the state of residency.
- v. Stop Gap /Employers Liability: \$1,000,000.
- vi. Property Insurance: One hundred percent replacement value of funded structure.

E. Minimum Limits of Insurance—Building Construction Period

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

- i. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage and \$2,000,000 in the aggregate.
- ii. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- iii. Professional Liability, Errors & Omissions: \$1,000,000, Per Claim and in the Aggregate.
- iv. Builder's Risk Insurance: One hundred percent replacement cost value.
- v. Workers Compensation: Statutory requirements of the State of residency.
- vi. Stop Gap or Employers Liability Coverage: \$1,000,000.

F. Minimum Limits of Insurance—Services Agreements: The Contractor shall maintain limits no less than the following:

- i. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage and \$2,000,000 in the aggregate.
- ii. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- iii. Professional Liability, Errors & Omissions: \$1,000,000, Per Claim and in the Aggregate.

- iv. Workers Compensation: Statutory requirements of the State of Residency.
- v. Stop Gap or Employers Liability Coverage: \$1,000,000.

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

G. Deductibles and Self-Insured Retentions

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

H. Other Insurance Provisions

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

- i. All Liability Policies except Professional and Workers Compensation.
 - a. The County, its officers, officials, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Contract. Such coverage shall include Products-Completed Operations.
 - b. To the extent of the Contractor's negligence, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Contractor's insurance or benefit the Contractor in any way.
 - c. The Contractor's insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
- ii. Property Coverage Policies
 - a. The County shall be added to all Property Coverage Policies as a loss payee as its interests may appear.
 - b. The County shall be added as a Named Insured as its interests may appear to all Builders Risk policies.
- iii. All Policies

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

I. Acceptability of Insurers

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

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

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

J. Verification of Coverage

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

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

K. Subcontractors

The Contractor shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. If the Contractor is relying on the insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Contract, then such requirements and documentation shall be subject to all of the requirements stated herein.

L. Municipal or State Contractor Provisions

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

19. **NONDISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY**

A. Equal Benefits to Employees with Domestic Partners

In accordance with King County Ordinance 14823, as a condition of award of a contract valued at \$25,000 or more, the Contractor agrees that it shall not discriminate in the provision of employee benefits between employees with spouses and employees with

domestic partners during the performance of this Contract. Absent authorization for delayed or alternative compliance, failure to comply with this provision shall be considered a material breach of this Contract and may subject the Contractor to administrative sanctions and remedies for breach.

When the contract is valued at \$25,000 or more, by signing the Contract/Bid Submittal the Contractor is indicating compliance with this requirement or with the terms of an authorization for delayed or alternative compliance

B. Nondiscrimination in Employment Provision of Services

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

C. Nondiscrimination in Subcontracting Practices

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

D. Compliance with Laws and Regulations

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

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

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

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

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

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

F. Equal Employment Opportunity Efforts

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

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

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

basis of such disability. Failure to comply with this section shall be a material breach of, and grounds for, the immediate termination of this Contract.

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

H. Sanctions for Violations

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

I. Fair Housing Protections

The Contractor shall comply with the federal Fair Housing Act, Public Law 90-284 (42 USC 3601 et seq.). The Contractor shall take necessary and appropriate actions to prevent discrimination in any housing-related project under this Contract, which includes rental housing projects and/or projects that include residential real estate-related transactions, as required by the Federal Fair Housing Act as amended (42 USC 3601) and the Washington State Law Against Discrimination (RCW Chapter 49.60). Residential real estate-related transactions include the making or purchasing of loans or the provision of financial assistance secured by real estate, or the making or purchasing of loans or financial assistance for the purchasing, constructing, improving, repairing or maintaining of a dwelling. Rental housing includes any dwelling that is intended for occupancy as a residence for one or more families by lease, sublease or by grant for a consideration of the right to occupy Premises not owned by the occupant. In addition, except for projects located in incorporated jurisdictions, the Contractor shall comply with the applicable provisions of the King County Open Housing Ordinance, codified at Chapter 12.20 of the King County Code, which prohibits practices of housing discrimination against any person on the basis of age, ancestry, color, disability, marital status, national origin, parental status, possession of Section 8 housing assistance, race, religion, retaliation, sex, and sexual orientation.

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

J. Additional Federal Nondiscrimination Requirements

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

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

K. Prohibited Discriminatory Actions

- i. Except where expressly authorized by federal law, the Contractor may not, under any program or activity to which this Contract applies, directly or through contractual or other arrangements, discriminate on the grounds of age, color, creed, familial status, marital status, nationality, religion, race, sex, sexual orientation, or the presence of any, physical, mental or sensory disability. Discriminatory actions may include but are not limited to the following:
 - a. Denying any person access to facilities, services, financial aid or other benefits provided under the program or activity;
 - b. Denying any person services due to limited English proficiency;
 - c. Providing any person with facilities, services, financial aid or other benefits, which are different, or are provided in a different form from that provided to others under the program or activity;
 - d. Subjecting any person to segregated or separate treatment in any facility or in any matter or process related to receipt of any service or benefit under the program or activity;
 - e. Restricting in any way access to or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity;
 - f. Treating any person differently from others in determining whether the person satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any facilities, services or other benefit provided under the program or activity;
 - g. Denying any person any opportunity to participate in a program or activity as an employee; and
 - h. Failing to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individuals with disabilities and failure to remove architectural and communication barriers that are structural in nature in existing facilities, where such removal can be accomplished without difficulty and expense.
- ii. The Contractor shall not utilize criteria or methods of administration that have the effect of subjecting individuals to discrimination on the basis of age, color, familial status, nationality, race, religion, sex, or sexual orientation; or mental, physical, or

sensory disability; or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular age, color, familial status, nationality, race, religion, sex, or sexual orientation; or the presence of any mental, physical, or sensory disability.

- iii. The Contractor, in determining the site or location of housing or facilities provided in whole or in part with funds under this Contract, may not make selections of such site or location which have the effect of excluding individuals, denying them benefits, or subjecting them to discrimination on the grounds of age, sex, marital status, familial status, religion, race, creed, color, sexual orientation, nationality, or the presence of any sensory, mental or physical disability; or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the HCD Act or of the HUD Regulations.

L. Employment Projections

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

M. No Conflict with Federal Requirements.

As indicated by HUD Notice CPD 04-10, a faith-based organization’s exemption from the federal prohibition on employment discrimination on the basis of religion, set forth in 42 USC 2000e-1(a), is not forfeited when the organization receives HUD funding. Faith-based organizations, like any other entity participating in a HUD-funded program, must, however, comply with all the statutory requirements of that particular HUD-funded program. Both the CDBG and HOME Programs contain statutory provisions imposing non-discrimination requirements on all subrecipients, subgrantees or contractors. Religious organizations that believe that certain non-discrimination statutory requirements are substantially burdensome may be entitled to protection under the Religious Freedom Restoration Act [42 USC 4000bb-3, 4000bb-2(1)] which applies to all federal law and its implementation. Subrecipients, subgrantees, or contractors should be aware that anti-discrimination provisions of Section 109 of the Housing and Community Development Act of 1974, Section 282 of the HOME Investment partnership Act may pose questions of conformance with Title VII of the Civil Rights Act of 1964 and future court rulings could define more specifically the application of these laws to faith-based organizations. In the event that a provision of this Contract is deemed to be in actual conflict with federal law, the conflicting provision in this Contract shall not apply.

20. **SUBCONTRACTS AND PURCHASES**

A. Subcontract Defined

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

B. Writing Required

Any work or services assigned or subcontracted hereunder shall be in writing and must be approved by the County as provided in Section 14. Assignment.

The rejection or approval by the County of any Subcontractor or the termination of a Subcontractor will not relieve Contractor of any of its responsibilities under the Contract, nor be the basis for additional charges to the County.

The Contractor agrees that it is as fully responsible to the County for the acts and omissions of its subcontractors and their employees and agents, as it is for the acts and omissions of its own employees and agents, as specified in Section 17. Hold Harmless and Indemnification Subsection C.

The County has no contractual obligations to any Subcontractor or vendor under contract to the Contractor. Contractor is fully responsible for all contractual obligations, financial or otherwise, to its Subcontractors.

C. Required Contract Terms

The Contractor shall include the applicable provisions of Sections 18. Insurance Requirements - General, 19. Nondiscrimination and Equal Employment Opportunity and 20. Subcontracts and Purchases in every subcontract or purchase order for goods or services which are paid for in whole or in part with funds provided under this Contract. The Contractor agrees to include the following language verbatim in every subcontract, provider agreement, or purchase agreement for services, which relate to the subject matter of this Contract:

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

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

D. Debarred Contractors

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

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

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

E. Subcontracting Requirements

A Contractor which receives federal funds under this Contract also shall include the following sections in every subcontract or purchase order for goods and services which are paid in whole or in part with funds provided under this Contract: Section 5. Compensation and Method of Payment Subsections F. or G. and I., Sections 17. Hold Harmless and Indemnification Subsection B., 18. Insurance Requirements – General Subsection K., 19. Nondiscrimination and Equal Employment Opportunity and 22. Conflict of Interest Subsection B. and, if the subcontract is for construction, Sections 35. Labor Standards and 36. Employment Opportunities.

F. Federal Procurement Requirements

The Contractor agrees to comply with Procurement Standards specified in 2 CFR § 200.317 through - 200.326, unless otherwise provided in the Project/Program Exhibit.

G. Federal Bid Guarantee and Bond Requirements

If the Contractor is subcontracting construction work under this Contract, the subcontract shall require for any construction contracts exceeding \$150,000:

- i. A bid guarantee from each bidder equivalent to five percent of the bid price;
- ii. A performance bond from the contractor for one hundred percent of the contract price; and
- iii. A payment bond from the contractor for one hundred percent of the contract price. The Contractor may, at its discretion, require any of these requirements on construction contracts of less than \$150,000. The specific requirements for bid guarantees and bonds are at 2 CFR § 200.325.

H. Failure to Comply is Default

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

21. **NONDISCRIMINATION IN SUBCONTRACTING PRACTICES**

Projects using federal funds shall comply with the following requirements:

A. Federal Requirements

In soliciting subcontractors to supply goods or services for the activities under this Contract, the Contractor shall comply with 2 CFR § 200.321. In accordance with these regulations, the Contractor shall take all necessary affirmative steps to assure M/WBEs and labor surplus area firms are used as subcontractors when possible. Affirmative steps shall include those actions specified above in this section of the Contract.

B. Nondiscrimination in Federally Assisted Construction

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

22. **CONFLICT OF INTEREST**

Entering into this Contract with the County requires that the Contractor agree to abide by certain provisions of the King County Employee Code of Ethics, including those relating to conflicts of interest and the employment of current or former County employees.

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

B. No Preferential Treatment

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

C. Disclosure of Current and Former County Employees

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

- i. County employees or former County employees are prohibited from assisting with the preparation of proposals or contracting with, influencing, advocating, advising or consulting with a third party, including Contractor, while employed by the County or within one year after leaving County employment if he/she participated in determining the work to be done or processes to be followed while a County employee.
- ii. Contractor shall identify at the time of offer current or former County employees involved in the preparation of proposals or the anticipated performance of Work if awarded the Contract. Failure to identify current or former County employees involved in this Contract may result in termination of this Contract.
- iii. After Contract award, the Contractor is responsible for notifying the County's Project Manager of current or former County employees who may become involved in the Contract any time during the term of the Contract.

D. No Conflict of Interest

The Contractor shall abide by the provision of 2 CFR § 200.318, and by the following:

- i. The Contractor shall maintain a written code or standards of conduct that shall govern the performance of its officer, employees or agents engaged in the award and administration of contracts supported by funds under this Contract;
- ii. No employee, director, officer or agent of the Contractor shall participate in the selection or in the award, or administration of a contract supported by funds under this contract if a conflict of interest, real or apparent, would be involved. By way of example, such a conflict would arise if such a person, or his or her employer, immediate family member or partner has financial or other interest in the entity selected; and
- iii. The Contractor's officers, employees, and agents must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the Contractor may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Contractor.

23. **BOARD OF DIRECTORS**

- A. If the Contractor is incorporated, it must have an active, legally constituted board of directors in accordance with the requirements of RCW Chapters 23B or 24, to the extent applicable.
- B. The following additional requirements shall apply to the agencies that qualify as non-profit organizations under USC, Title 26, Subtitle A, Chapter 1, Subchapter F, Part 1, Section 501(C)(3).
 - i. The Contractor shall have a Board of Directors that shall be comprised of neither employees nor relatives of employees, officers, or directors of the Contractor. For the purposes of this section, a relative is defined as husband, wife, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, son, son-in-law, daughter, daughter-in-law, niece, nephew, grandparent, grandchild, uncle, aunt, domestic partner and child of domestic partner. In addition, the relatives of a domestic partner shall be considered relatives to the same extent such relatives would be included in this section, as if the employee and domestic partner were married.
 - ii. The Board of Directors shall meet regularly.
 - iii. The Board of Directors shall cause to be adopted a formal conflict of interest policy for Board members that complies with the applicable provisions of the Internal Revenue Code and its 501(C)(3) status, and addresses issues regarding gifts, financial gain, and improper use of position.

24. **CONFIDENTIALITY**

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

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

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

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

- C. The County may at its sole discretion, require the Contractor to contact the appropriate law enforcement agency and to provide the County a copy of the report of the investigation conducted by the law enforcement agency. The Contractor shall also provide the County with any information it has regarding the security breach.
- D. The Contractor shall conspicuously display King County's Privacy Notice and provide a printed copy upon request.
- E. The Contractor shall be responsible for notifying individuals whose personal information may have become available to unauthorized users through a security breach. The Contractor shall also be responsible for any cost associated with notifying the affected individuals. This notification must be in accordance with RCW 42.56.590 (7).
- F. If the Contractor demonstrates that the cost of providing notice would exceed \$250,000, or that the potentially affected persons exceeds \$500,000, or the Contractor does not have sufficient contact information, substitute notice shall consist of the following in accordance with RCW 42.56.590 (7), (c).
 - i. Email notice when the Contractor has an e-mail address for the subject persons;
 - ii. Conspicuous posting of the notice on the Contractor's web site page, if the Contractor maintains one; and
 - iii. Notification to major County-wide media.
- G. For purpose of this section, "personal information" means the same as defined in RCW 42.56.590:
 - i. An individual's first name or first initial and last name in combination with any one of the following data elements, when either the name or the data elements are not encrypted: social security number; driver's license number or Washington identification card number; or

- ii. Account number or credit or debit card number, in combination with any required security code; access code, or password that would permit access to an individual's financial account.

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

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

A. Obligations and Activities of the Contractor

- i. The Contractor agrees not to use or disclose protected health information other than as permitted or required by this Contract, HIPAA and the Health Information Technology for Economic and Clinical Health Act (HITECH). The Contractor shall use and disclose protected health information only if such use or disclosure, respectively, is in compliance with each applicable requirement of 45 CFR § 164.504(e). The Contractor is directly responsible for full compliance with the privacy provisions of HIPAA and HITECH that apply to business associates.
- ii. The Contractor agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information that it creates, receives, maintains, or transmits on behalf of the County as required by 45 CFR, Part 164, Subpart C. The Contractor is directly responsible for compliance with the security provisions of HIPAA and HITECH to the same extent as the County.
- iii. Within two business days of the discovery of a breach as defined at 45 CFR § 164.402 the Contractor shall notify the County of any breach of unsecured protected health information. The notification shall include the identification of each individual whose unsecured protected health information has been, or is reasonably believed by the Contractor to have been, accessed, acquired, or disclosed during such breach; a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; a description of the types of unsecured protected health information that were involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved); any steps individuals should take to protect themselves from potential harm resulting from the breach; a brief description of what the Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; the contact procedures of the Contractor for individuals to ask questions or learn additional information, which shall include a toll free number, an e-mail address, Web site, or postal address; and any other information required to be provided to the individual by the County pursuant to 45 CFR § 164.404, as amended. A breach shall be treated as discovered in accordance with the terms of 45 CFR § 164.410. The information shall be updated promptly and provided to the County as requested by the County.
- iv. The Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of protected health information by the Contractor in violation of the requirements of this Contract or the law.

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

B. Permitted Uses and Disclosures by Business Associate

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

C. Effect of Termination

- i. Except as provided in paragraph C.2. of this section, upon termination of this Contract, for any reason, the Contractor shall return or destroy all protected health information received from the County or created or received by the Contractor on behalf of the County. This provision shall apply to protected health information that

is in the possession of subcontractors or agents of the Contractor. The Contractor shall retain no copies of the protected health information.

- ii. In the event the Contractor determines that returning or destroying the protected health information is infeasible, the Contractor shall provide to King County notification of the conditions that make return or destruction infeasible. Upon notification that return or destruction of protected health information is infeasible, the Contractor shall extend the protections of the Contract to such protected health information and limit further uses and disclosure of such protected health information to those purposes that make the return or destruction infeasible, for so long as the Contractor maintains such protected health information.

D. Reimbursement for Costs Incurred Due to Breach

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

27. **NOTICES**

Whenever this Contract provides for notice by one party to another, such notice shall be in writing; and directed to each party's contact representative indicated within the contract exhibits. Any time within which a party must take some action shall be computed from the date that said party receives the notice.

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

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

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

The Contractor and any subcontractor agree, when applicable, to abide by the terms of Chapters 26.44, 69.54, 70.02, 70.96A, 71.05, 71A.10, 71A.14, 71A.18, 71.20, 71.24, and 71.34 of the Revised Code of Washington, rules and regulations promulgated thereunder, the Basic Inter Contractor Contract between the Department of Social and Health Services and King County, as amended, and regulations of the state and federal governments, as applicable, which control disposition of funds granted under this Contract, all of which are incorporated herein by reference.

If there is an irreconcilable conflict between any of the language contained in any exhibit or attachment to this Contract, the language in the Contract shall control over the language contained in the exhibit or the attachment, unless the exhibit provision expressly indicates that it controls over inconsistent contract language. If there is conflict among requirements set forth in exhibits, language contained in the lower numbered exhibit shall control unless the higher numbered exhibit provision expressly indicates that it controls over inconsistent lower numbered exhibit language.

30. **POLITICAL ACTIVITY PROHIBITED**

A. No Partisan Activity

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

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

B. Certification Regarding Lobbying

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

- i. No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any Agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- ii. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Contractor, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

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

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

31. **FORCE MAJEURE**

"Force Majeure" means an event or events beyond the parties' reasonable control, incurred not as a product or result of the negligence of the afflicted party, and which have a materially adverse effect on the ability of such party to perform its obligations as detailed in this Contract. Force Majeure events may include, but are not limited to: Acts of God or Nature; war; civil, military, public, or industrial disturbances; acts or threats of terrorism; epidemics, fire, flood or other casualty; labor difficulties, shortages of labor or materials or equipment; government regulations; delay by government or regulatory agencies; shutdowns for purpose of emergency repairs, and/or unusually severe weather.

A. No Breach if Force Majeure Applies:

Neither party shall be considered in breach of this Contract to the extent that performance of their respective obligations is prevented by a Force Majeure event upon giving notice and reasonably full particulars to the other party.

B. Duty to Minimize Disruption and Give Notice:

Parties maintain an express duty to minimize the disruption caused by Force Majeure, and shall, as soon as reasonably practicable, give notice to the other party of the nature and impact of the Force Majeure. Irrespective of any extension of time, if the effect of an event or series of events continues for a period of 180 days, either the County or the Contractor may give to the other a notice of suspension or termination.

C. Extension of Time:

Should Force Majeure events delay the Contractor's completion of the deliverables and performance commitments, the Contractor may be entitled to an extension for the time for completion. Any extension must be approved in writing by the County.

D. Suspending Performance:

Should a Force Majeure event prevent the Contractor from completing deliverables or performing commitments in this Contract, the completion or performance shall be suspended only for the time and to the extent commercially practicable to restore normal operations. Further, the Contractor and the County shall endeavor to continue to perform their contractual obligations to the extent reasonably practicable and will work to adjust deliverables or performance commitments as needed to continue the provision of services during the Force Majeure event. Contractor may be reimbursed for any costs incurred mitigating adverse impacts of the Force Majeure and may be compensated for any partial work that has been completed.

32. **MISCELLANEOUS PROVISIONS**

A. Severability.

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

B. Remedies

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

C. No Third Party Beneficiaries.

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

This Contract shall be governed by and construed to the laws of the State of Washington. Any claim or suit between the parties arising out of this Contract may only

be filed and prosecuted in King County Superior Court of U.S. District for the Western District of Washington, in Seattle.

33. **AFFIRMATIVE MARKETING**

A. Federal Marketing Requirements

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

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

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

34. **ACCESSIBILITY FOR CAPITAL PROJECTS**

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

35. **LABOR STANDARDS**

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

A. Davis-Bacon Requirements

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

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

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

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

B. Prevailing Wages

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

The Contractor shall provide annual certification to the County of its compliance with the requirements of this section. The Contractor shall additionally maintain records sufficient to evidence compliance with this section and shall make such records available for the County's review upon request.

C. Use of Volunteers

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

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

A. Section 3 Requirements

The work to be performed under this Contract may be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC

1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. Section 3 Criteria for Capital Projects

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

- i. The Project/Program Exhibit must include \$200,000 or more in total HUD funds from one or more program years;
- ii. The Project/Program Exhibit must include construction or rehabilitation work as a task that will be funded in full or in part with the HUD funds; and
- iii. The construction or rehabilitation work that will be funded must have a contract value, which exceeds \$100,000. Actual contract value of construction or rehabilitation work is the determining factor, not a cost estimate. Additionally, Section 3 regulations are applicable to Project/Program Exhibit(s), which do not initially meet the above criteria but which are amended so as to add funds or change the activities for which the funds are used. Section 3 regulations do not apply to projects that include \$200,000 or more in HUD funds when the funds are being used for acquisition and/or professional services only and not for construction or rehabilitation work.

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

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

38. **SUPLANTING**

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

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

A. Drug-Free Workplace Certification

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

B. Other Federal Requirements

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

40. **CONSTITUTIONAL PROHIBITION**

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

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

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

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

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

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

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

- A. Local Funds Only - Local Relocation Guidelines

Projects that include or will include only local county funds (HOF-CX, Veterans and Human Services Levy, RAHP, 2331, Mental Health, or HIPDD Developmental Disabilities Funds) for the acquisition, demolition, and or rehabilitation of property that has existing residential tenants who may be displaced shall provide relocation benefits to all displaced households. Effective October 1, 2014, the benefit amount for each displaced household will be \$2,933 per household; provided that, if the Joint Recommendations Committee (JRC) of the King County Consortium adjusts the benefit amount in accordance with King County Consortium Supplemental Relocation Guidelines based on changes in the consumer price index, the increased benefit amount shall apply. All tenants selected for relocation shall be given formal notification regarding the need to relocate with a minimum of 90 days' notice of the date they must relocate, along with information about why they were selected. Consideration of a longer notice period may be required if the tenant demonstrates a special circumstance (for instance, health reasons) which would be alleviated by extending the notice period. A list of all displaced households, including name, unit number, household size, ethnicity, and monthly gross income shall be provided to the King County Relocation Specialist along with documentation of all the payments made to displaced tenants. All relocation costs shall be included in the project development budget.

B. Federal Acquisition and Relocation Requirements:

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

The Contractor shall comply with the following:

- i. Any acquisition of real property by the Contractor for any activity assisted under this Contract shall comply with the Uniform Relocation Act and 49 CFR Part 24;
- ii. Any displacement of persons, businesses, nonprofit organizations, or farms occurring as the result of acquisition of real property assisted under this Contract shall comply with the Uniform Relocation Act, at 24 CFR Part 42 and 49 CFR Part 24 as amended, and the County's Residential Anti-displacement and Relocation Assistance Plan required by federal regulations at 24 CFR § 570.606(c), and adopted by the County Council as part of the HCD Plan. The Contractor shall comply with the Regulations pertaining to costs of relocation and written policies, as specified by the King County Residential Anti-displacement and Relocation Assistance Plan; and
- iii. When any lower-income dwelling units are demolished or converted to a use other than a lower-income dwelling unit, in connection with an activity assisted under this Contract with federal funds, the units must be replaced on a one-for-one basis. Lower-income dwelling units are defined as a dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent for existing housing as established by HUD and published annually, pursuant to 24 CFR Part 888. The Contractor must comply with the one-for-one replacement of housing requirements of Section 104(d) of the HCD Act, as amended. The implementing regulations are found at 24 CFR Part 42, and for CDBG funds at 24 CFR § 570.606.

43. **PROPERTY MANAGEMENT FOR CAPITAL PROJECTS**

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

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

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

44. **TAXES AND LICENSES**

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

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

- A. In the event that all or any portion of the Premises is taken or conveyed as a result of any condemnation proceeding or damaged as a result of any casualty, the County and the Contractor agree that the proceeds of any condemnation or casualty affecting the Premises shall be made available for the repair or restoration of the real property if the County and the Contractor in their reasonable judgment agree that:
- i. Repair or restoration of the real property is feasible and that sufficient funds are available to complete such work;
 - ii. After the completion of work, the real property can be feasibly operated within the restrictions and requirements of the Project/Program Exhibit; and
 - iii. More than two years remain after the completion of the work until the end of this Contract.
- B. The County and the Contractor shall meet as necessary to discuss in good faith the rebuilding or repair of the real property and reach a decision with respect thereto within 60 days after the occurrence of the casualty or condemnation. If the parties cannot in good faith agree to repair or restore the real property as provided above, then any proceeds of the casualty or condemnation, within 60 days of demand, shall be paid first to satisfy the County's lien. The balance of the proceeds shall be paid to the Contractor.

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

KING COUNTY:

CONTRACTOR:

FOR

King County Executive

Signature

Date

Name (Please type or print)

Date

APPROVED AS TO FORM
CLERK OF CITY OF TUKWILA:

Signature

Name (Please type or print)

APPROVED AS TO FORM
CITY OF TUKWILA ATTORNEY:

Signature

Name (Please type or print)

**EXHIBIT I
CITY OF TUKWILA
TUKWILA CONSORTIUM MINOR HOME REPAIR PROGRAM (C20623)**

Contract No.: 6202035	Project No.: C20623 - 1127781
King County Project Manager: Lynn Scherer	Agency Contact Person: Stacy Hansen
Start Date: January 1, 2021	Telephone: 206-433-7180
End Date: December 31, 2021	Email: stacy.hansen@tukwilawa.gov

I. WORK STATEMENT

The City of Tukwila (hereinafter referred to as “the Contractor”) agrees to provide funds to repair the existing stock of homes owned by low- to moderate-income households in the South King County communities of Covington, Des Moines, SeaTac, and Tukwila, as described in this Exhibit beginning on January 1, 2021, and completing these services by December 31, 2021. All such activities shall be provided in a manner which fully complies with all applicable federal, state and local laws, statutes, rules and regulations, as are now in effect or hereafter may be amended. The total amount of reimbursement pursuant to this Exhibit shall not exceed \$100,000 in King County Community Development Block Grant (CDBG) funds. \$4,000 of this Exhibit shall be retained by the County for program delivery costs.

II. PROGRAM DESCRIPTION

The preservation of the housing of low- to moderate-income homeowners through the provision of funds to repair the existing stock of homes owned by low- to moderate-income households.

A. Indicators

The number of unduplicated households who receive minor housing repair assistance in the communities of Covington, Des Moines, SeaTac, and Tukwila.

B. Eligibility

1. Eligible clients shall have an annual gross family income that does not exceed the Moderate Income limits based on the applicable Family Size in the following 2020 United States Housing and Urban Development (HUD) Income Guidelines Table. Clients may self-certify in writing that their family income does not exceed the applicable limit.

2020 HUD INCOME GUIDELINES			
<i>Median Family Income = \$113,300 for family of 4</i>			
Effective June 17, 2020			
FAMILY SIZE	30% MEDIAN VERY LOW INCOME	50% MEDIAN LOW-INCOME	80% MEDIAN MODERATE-INCOME
1	\$25,100	\$41,800	\$66,700
2	\$28,650	\$47,800	\$76,200
3	\$32,250	\$53,750	\$85,750
4	\$35,800	\$59,700	\$95,250
5	\$38,700	\$64,500	\$102,900
6	\$41,550	\$69,300	\$110,500
7	\$44,400	\$74,050	\$118,150
8	\$47,300	\$78,850	\$125,750

2. The definition of family shall include all persons living in the same household who are related by birth, marriage or adoption and includes dependent children living away from home. The definition of income includes all sources of income required to be reported on Internal Revenue Service Form 1040.
3. Income guidelines may be adjusted periodically by HUD. The Contractor agrees to use updated income guidelines that shall be provided by the County. The County shall provide the updated guidelines to the Contractor electronically or by hard copy.
4. Services provided with funding under this Exhibit may be limited to residents of Covington, Des Moines, SeaTac, and Tukwila.
5. Services shall be provided on a first come, first served basis with safety and health issues prioritized.
6. Eligible clients must have lived in their home for at least one year.

C. Definitions

1. Disabled person is an adult who has severe disabilities based on the Bureau of the Census definition.
2. Elderly person is an individual who is 62 years or older.
3. Emergency repair includes activities that protect, repair or arrest the effects of disasters, imminent threats or physical deterioration that pose an imminent danger to life, health or safety.
4. Routine maintenance includes activities that merely keep a structure in good operating condition; such activities do not add to the value of the structure, appreciably prolong its useful life, or adapt it to new uses.
5. Unit of service is a minor home repair, measured by unique job or repair hours that is undertaken in a client's home.

D. Program Requirements

1. The Contractor shall use CDBG funds to provide minor home repair services for low- and moderate-income homeowners in the cities of Covington, Des Moines, SeaTac, and Tukwila. Funds shall be focused on maintaining the safety and health of the occupants, preserving the dwelling and/or conserving energy. These activities may include, but are not limited to: earthquake preparedness, replacing broken switches, sockets, light fixtures, repairing heat sources, repairing gutters and downspouts, replacing or repairing faucets, toilets, sinks, drains, broken or leaky pipes and repairing minor roof leaks.
2. The Contractor agrees to serve 54 Low/Moderate Income Households
3. Public Information

All marketing materials, news releases and other public notices related to projects funded under this Agreement shall include information identifying the source of funds as the King County Community Development Block Grant Program.

III. COMPENSATION AND METHOD OF PAYMENT

A. The Contractor shall apply the following CDBG funds in accordance with the Line Item Budget below. The total amount of reimbursement pursuant to this Exhibit shall not exceed \$100,000. King County shall retain \$4,000 for program delivery costs.

1. CDBG Funds

King County CDBG Funds -South Sub-Region	\$ 104,000
B-18-UC-53-0001 CDBG Funds:	\$40,961.54
B-19-UC-53-0001 CDBG Funds:	\$63,038.46

2. Line Item Budget

Capital Outlay (Construction Contracts)	\$100,000
King County Program Delivery Costs	\$4,000
Total CDBG Funds:	\$104,000

B. Billing Invoice Package

1. The Contractor shall submit a Billing Invoice Package every three months that consists of an invoice statement and other reporting requirements as stated in Section IV., REPORTING REQUIREMENTS, of this Exhibit in a format approved by the County. All required reports shall accompany the invoice statement in order to receive payment.
2. All required reports must accompany the invoice statement in order to receive payment. The Contractor shall submit invoices to the County in the form of a CDBG Program Voucher Reimbursement Request form. Such forms shall be signed by an authorized representative of the Contractor and shall be accompanied by copies of supporting documents.

3. The Billing Invoice Package is due within 20 working days after the end of the three month term.
4. The final invoice and reports shall be submitted no later than January 13, 2022.

C. Method of Payment

1. The County shall reimburse the Contractor on a quarterly basis for actual expenditures in accordance with the Line Item Budget in Section III.A.
2. Payment to the Contractor may be withheld for any quarter in which the Contractor has not submitted the reports specified in Section IV., REPORTING REQUIREMENTS, of this Exhibit, or in which said reports are incomplete.
4. The Contractor shall advise the County quarterly of any changes in revenues from sources other than the County that are used to provide the services funded under this Exhibit. The Contractor agrees to re-negotiate performance requirements if the County determines that such changes are substantial.

IV. REPORTING REQUIREMENTS

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

- A. The Contractor shall maintain completed Environmental Review Forms from the King County Environmental Review Specialist, and place a photocopy with client's applications for repairs in the Contractor's Minor Home Repair Program file.
- B. The Contractor shall submit with each invoice a Quarterly Project Activity Report Form, in a format provided by the County. Report shall include a narrative with an explanation if actual services are less than 90 percent of the cumulative minimum service requirements as stated in Section II. D.2. of this Exhibit.
- C. The Contractor shall use the following methods to measure the indicator specified in Section II.D.2. of this Exhibit: Number of unduplicated households served.
- D. The Contractor shall submit with the final invoice a completed Project Funding Report form itemizing all funding used for the project, in a format provided by the County.

**Attachment A
Federal Award Identification (reference 2 CFR 200.331)**

(i) Agency name (which must match the name associated with its unique entity identifier);	City of Tukwila
(ii) Agency's unique entity identifier;	010207504
(iii) Federal Award Identification Number;	B-18-UC-53000-1/ B-19-UC-53000-1
(iv) Federal Award Date;	9/3/2020 - 6/24/2020
(v) Agency Period of Performance Start and End Date;	1/1/2020– 12/31/2020
(vi) Amount of Federal Funds Obligated to the agency by this action;	\$100,000
(vii) Total Amount of Federal Funds Obligated to the agency;	\$100,000
(viii) Total Amount of the Federal Award;	\$5,684,037
(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)	2020 Tukwila Minor Home Repair
(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official	HUD Seattle Regional Office 909 1st Ave #200 Seattle, WA 98104
(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;	CDBG, CFDA 14.218
(xii) Identification of whether the award is R&D; and	No
(xiii) Indirect cost rate for the Federal award (including if the de minimus rate is charged per § 200.414 Indirect (F&A) costs).	N/A
Is the agency a subrecipient for the purposes of this agreement?	Yes