

File ID: 2024-01822

12/3/2024

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**Department of Community Response: Outreach and Engagement Center Operations Agreement [Published for 10-day Review on 11/21/2024]**

File ID: 2024-01822

**Location:** District 2, Represented by Councilmember Thao

**Recommendation:** Adopt a **Resolution** authorizing the City Manager or the City Manager's designee to: 1) execute an agreement with TLCS Inc. dba Hope Cooperative for Outreach and Engagement Center Operations in an amount not to exceed \$3,145,000; and 2) transfer unspent appropriations from the Respite Centers Multi-Year Operating Project (I23002000) to the Community Response Multi-Year Operating Project (I23000100) to fund future Outreach and Engagement Center operations upon completion of the Outreach and Engagement Center agreement expiring December 31, 2024.

**Contact:** Brian Pedro, Director, (916) 808-7816, bpedro1@cityofsacramento.org, Department of Community Response

**Attachments:**

1-Description/Analysis

2-Resolution

3-Hope Cooperative Outreach and Engagement Center Operations Agreement

**Description/Analysis**

**Issue Detail:** On July 23, 2024, Council approved the suspension of competitive bidding (item 21, 2024-01321) for Outreach and Engagement Center Operations. On July 25, 2024, DCR's Office of Community Outreach released a Request for Proposals (RFP) for Outreach and Engagement Center Operations (P2523001021002).

**Outreach and Engagement Center**

The Outreach and Engagement Center (OEC), located at 3615 Auburn Blvd., has been operational since early 2022. The OEC has the capacity to serve up to 75 individuals for overnight respite/daytime triage and engagement, with 25 spots specifically reserved for families. The OEC also serves as the City's primary Weather Respite Center, with the ability to serve an additional 50 individuals during Weather Respite Activation.

The panel for the OEC RFP review consisted of three panelists from the following entities: Council District 4, DCR's Office of Homeless Services, and a representative from a local Property Business Improvement Direct (PBID). DCR's Office of Community Outreach received 4 proposals. Panelists were asked to rank proposals based upon the criteria listed in each section of the RFP. Below is a condensed version of questions the panelists were asked to answer.

Qualifications Summary and Organization History (18 points) - Did the applicant clearly explain their qualifications, specifically in operating a respite center, shelter, or any other interim housing facility, were their qualifications specific to providing services to the unhoused community, and is their experience local to the Sacramento region?

Capacity (20 points) - Does the applicant have a staffing plan, including a plan for 24/7 security, and is the proposed staff/client ratio appropriate?

Service Approach (24 points) - Are the services client centered, and trauma informed, integrating harm reduction practices, is case management provided, and does the applicant facilitate linkages and referrals to other community based supportive services?

Outcomes and Impact (18 points) - Is there an ability to abide by a 30% positive exit rate within 90 days of entering the program, and is there an effort to engage the nearby community?

Budget and Budget Justification (20 points) - Is the budget appropriate given the amount of people served and can the budget support individuals during Weather Respite Activation? Does the budget justification adequately support the request for funding?

LBE Preference Points (5 points) - Did the applicant qualify for the City's LBE program?

Considering responses to the questions above, the panel selected TLCS Inc. dba Hope Cooperative (Hope Cooperative) for one year of operations at the OEC, with the option to extend for an additional four years, per Procurement guidelines.

As the current operator of the OEC, Hope Cooperative has been an important partner to DCR and the City's Incident Management Team. The OEC serves as one of DCR's Rapid Placement sites and the only site with the ability to host children. Upon entrance to the OEC and enrollment into the program, Hope Cooperative provides individuals with supportive items, such as clothing or personal care items, and provides one hot meal per day.

The OEC does not operate as a shelter, but rather as a positive step towards seeking assistance with either a spot at a shelter or housing, or engagement with other social services. On average, 90% of individuals leave within 30 days or less, with 44% of those exiting to a positive destination and 56%

of families with minor children exiting to a positive destination, including emergency shelter. Since January 1, 2024, the OEC has served 730 clients to date, 153 of those being children under the age of 18. 50% of those who have stayed at the OEC report suffering from a mental health condition, 37% from a chronic health condition, 16% with a developmental disability and 28% from a physical disability. Relative to weather respite, the OEC has been activated 81 days so far in 2024, serving an average of 34 individuals per night.

The OEC serves those who are most vulnerable living unhoused in our community.

The OEC will continue to utilize a Good Neighbor Policy, ensuring that the surrounding community is not negatively impacted by the Program's operations. Though not considered for points in the RFP process, Hope Cooperative received a strong letter of recommendation from the nearby Children's Receiving Home of Sacramento for their commitment to maintaining a safe and supportive environment for individuals in both programs. Hope Cooperative will continue to host quarterly community meetings to ensure their strong partnership with the community remains.

**Policy Considerations:** Sacramento City Code 3.04.020 requires Council approval to enter into agreements that exceed \$250,000.

Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements, and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-Day review on November 21, 2024, in compliance with City Code.

**Economic Impacts:** None.

**Environmental Considerations:** The City reviewed the original OEC project and determined it was exempt from California Environmental Quality Act (CEQA) review because it could be seen with certainty that no significant effects could occur as a result of project implementation. The City filed a Notice of Exemption on February 16, 2022. No substantial changes are proposed in the project. On March 28, 2023, Council adopted Resolution No. 2023-0084 confirming the exemption from CEQA pursuant to CEQA Guidelines section 15061(b)(3).

Additional sections of this report concern administrative activities that will not have a significant effect on the environment and do not constitute a "project" as defined by the CEQA [CEQA Sections 15061 (b)(3) and 15378(b)(2)].

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Services provided under this agreement address the ongoing need for supportive services for individuals experiencing homelessness in the City.

**Financial Considerations:** Sufficient funding is available in the Community Response MYOP (I23000100) to execute an agreement with Hope Cooperative in the amount of \$3,145,000 (Measure U Fund, Fund 2401) for Outreach and Engagement Center operations.

Sufficient funding is available in the Respite Centers MYOP (I23002000) to support the recommended budgetary transfer.

**Local Business Enterprise (LBE):** Not applicable.



**RESOLUTION NO. 2024 - XXXX**

**Adopted by the Sacramento City Council**

December 3, 2024

**Transfer Funding from the Respite Centers Multi-Year Operating Project (I23002000) to the Community Response Multi-Year Operating Project (I23000100)**

**BACKGROUND**

- A. The Department of Community Response currently contracts with TLCS, Inc. dba Hope Cooperative to operate the Outreach and Engagement Center, a respite center offering overnight respite and daytime triage to individuals and families with children experiencing homelessness.
- B. In FY23/24, funding was reallocated from the Respite Centers Multi Year Operating Project (MYOP) to the Community Response MYOP.
- C. The current agreement for Outreach and Engagement Center operations, which expires on December 31, 2024, is within the Respite Centers MYOP. For administrative clarity, staff would like to fund future Outreach and Engagement Center operations from the Community Response MYOP.
- D. Staff anticipate savings from the current Outreach and Engagement Center Agreement, which expires on December 31, 2024, that can be applied to the new Outreach and Engagement Center Agreement commencing January 1, 2025.
- E. Funding moved from the Respite Centers MYOP will be used to continue providing year-round respite services at the Outreach and Engagement Center through December 31, 2025

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager or the City Manager's designee is authorized to execute an agreement with TLCS, Inc. dba Hope Cooperative for Outreach and Engagement Center operations in an amount not to exceed \$3,145,000.
- Section 2. Upon completion of the Outreach and Engagement Center Agreement expiring December 31, 2024, the City Manager or the City Manager's designee is authorized to transfer any unspent appropriations in the Respite Centers MYOP (I23002000) to the Community Response MYOP (I23000100) for future Outreach and Engagement Center operations.

# CONTRACT ROUTING SHEET

**Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.**

## General Information (Required)

Original Contract # (supplements only): \_\_\_\_\_ Supplement/Addendum #: \_\_\_\_\_  
Assessor's Parcel Number(s): \_\_\_\_\_  
Contract Effective Date: 01/01/2025 Contract Expiration Date (if applicable): 12/31/2025  
\$ Amount (Not to Exceed): \$ 3,145,000.00 Adjusted \$ Amount (+/-): \_\_\_\_\_  
Other Party: TLCS, Inc., DBA Hope Cooperative  
Project Title: Outreach and Engagement Center  
Project #: I23000100 Bid/RFQ/RFP #: P2523001021002  
City Council Approval: YES if YES, Council File ID#: 2024-01822

## Contract Processing Contacts

Department: City Manager Project Manager: Richele Polezhako  
Contract Coordinator: Hang Tran Email: rybarra@cityofsacramento.org

## Department Review and Routing

<b>Accounting:</b>	_____	_____
	(Signature)	(Date)
<b>Supervisor:</b>	_____	_____
	(Signature)	(Date)
<b>Division Manager:</b>	_____	_____
	(Signature)	(Date)
<b>Other:</b>	_____	_____
	(Signature)	(Date)

## Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)

**Recording Requested**       **Other Party Signature Required**

-----**FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE**-----

CONTRACT #:  
CONTRACT NAME: Outreach and Engagement Center Operations  
CONTRACT PROJECT #: I23000100  
DEPARTMENT: Department of Community Response  
DIVISION: Office of Community Outreach  
CITY OF SACRAMENTO

## NONPROFESSIONAL SERVICES AGREEMENT

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**THIS CONTRACT** is made at Sacramento, California, by and between the **CITY OF SACRAMENTO**, a charter city and municipal corporation (“CITY”), and

*TLCS, Inc. dba Hope Cooperative*  
650 Howe Ave., Bldg 400-A  
Sacramento, CA 95825  
[gludwig@hopecoop.org](mailto:gludwig@hopecoop.org)

(“Contractor”), as of the Effective Date, as defined below.

The City and Contractor agree as follows:

1. **Effective Date.** This Contract shall be effective beginning January 1, 2025.
2. **Contract Documents.** This Contract includes each of the following documents, which are attached or incorporated by this reference (referred to collectively as the “Contract Documents”):

Invitation to Bid, Request for Qualifications, or Request for Proposals, and any Addenda  
Exhibit A – Scope of Work  
Exhibit B – Payment  
Exhibit C – Insurance  
Exhibit D – General Conditions  
Purchase Orders

If there is a conflict between the terms and conditions of any document prepared or provided by the Contractor and made a part of this Contract and the other terms or conditions of the Contract, the other terms and conditions of the Contract control.

3. **Services.** Subject to the terms and conditions set forth in this Contract, Contractor shall provide to City the non-professional services described in Exhibit A (“Services”).

Contractor will not be compensated for non-professional services outside the scope of Exhibit A (“Additional Services”) unless, before providing Additional Services: (a) Contractor notifies City and City agrees that the Additional Services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these Additional Services; and (c) City, after notice, approves in writing a Supplemental Contract specifying the Additional Services and the amount of additional compensation to be paid Contractor.

City will have no obligations whatsoever under this Contract or any Supplemental Contract, unless and until this Contract or any Supplemental Contract is approved by the City as required by the Sacramento City Code. As used in this Contract, the term "Services" includes both Services and Additional Services as applicable.

4. **Payment.** City shall pay Contractor at the times and in the manner set forth in Exhibit B. Contractor shall submit all invoices to City in the manner specified in Exhibit B.
5. **Facilities and Equipment.** Except as set forth below, Contractor shall, at its sole cost and expense, furnish all facilities and equipment required for Contractor to perform this Contract. City shall furnish to Contractor only the facilities and equipment listed below, if any.
6. **Insurance.** Contractor shall, at its sole cost and expense, maintain the insurance coverage described in the attached Exhibit C.
7. **General Conditions.** Contractor shall comply with the terms and conditions set forth in the attached Exhibit D.
8. **Non-Discrimination in Employee Benefits.** This Contract may be subject to Sacramento City Code chapter 3.54, Non- Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance)," can be viewed at:

<https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>.

Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance.

Contractor's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

9. **Living Wage.** This Contract may be subject to Sacramento City Code chapter 3.58, Living Wage. A summary of the requirements, entitled "Living Wage Requirements", can be viewed at: <https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>. The Living Wage Ordinance is applicable to certain contracts with the City in an amount of \$250,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is \$250,000 or more over a 12-month period. Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.58. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance.

Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.58 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.58.

Contractor's violation of Sacramento City Code chapter 3.58 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

In addition, for Services that constitute "Public Works" under California Labor Code Section 1720 et seq., if both prevailing wage and living wage requirements apply, Contractor shall pay the higher of the two rates.

10. **Considering Criminal Conviction Information in the Employment Application Process.** This Contract may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

<https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>.

The Ban-The-Box Requirements are applicable to certain contracts with the City in an amount of \$250,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is \$250,000 or more over a 12-month period.

Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62.

Contractor's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

11. **Local Business Enterprise Program.** The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") are applicable to this Contract. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

<https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>.

Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

Contractor's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

12. **Authority.** The person signing this Contract for Contractor represents and warrants that he or she has read, understands, and agrees to all the Contract terms and is fully authorized to sign this Contract on behalf of the Contractor and to bind the Contractor to the performance of the Contract's obligations.

[Signatures Page Following Exhibits]

## EXHIBIT A

### SCOPE OF SERVICES

**1. Representatives.**

The CITY Representative for this Agreement is:

*Brian Pedro, Director  
Department of Community Response  
1000 I Street, Suite 120  
Sacramento, CA 95814  
[bpedro1@cityofsacramento.org](mailto:bpedro1@cityofsacramento.org)*

The CONTRACTOR Representative for this Agreement is:

*April Ludwig, CEO  
TLCS, Inc. dba Hope Cooperative  
650 Howe Ave., Bldg 400-A  
Sacramento, CA 95825  
[aludwig@hopecoop.org](mailto:aludwig@hopecoop.org)*

Unless otherwise provided in this Contract, all Contractor questions and correspondence pertaining to this Contract must be addressed to the City Representative. All City questions and correspondence must be addressed to the Contractor Representative.

- 2. Scope of Services.** Contractor shall provide Services to City as set forth in Attachment 1 to this Exhibit A.
- 3. Time of Performance.** The Services described in this Contract shall be provided for one year. The City may extend this Contract for additional terms, not to exceed a total term, including extensions and renewals of five years. Contractor shall provide the Services in accordance with any schedule in Attachment 1 to this Exhibit A. Contractor shall immediately notify the City if Contractor is unable to perform Services in compliance with this Contract.



## EXHIBIT B

### PAYMENT

1. **Contractor's Compensation.** The total of all fees paid to the Contractor for the provision of Services as set forth in Exhibit A, including any authorized reimbursable expenses, shall not exceed the total sum of \$ 3,145,000.00. The payments specified in this Exhibit B shall be the only payments made to Contractor unless the City approves a Supplemental Contract.
2. **Pricing.** Contractor shall be paid as set forth in Attachment 1 to this Exhibit B and any applicable special provisions included in the request for bids or proposals. If there is a conflict between Exhibit A or Exhibit B and the Special Provisions, Exhibit A or Exhibit B controls.
3. **Contractor's Reimbursable Expenses.** "Reimbursable Expenses" are limited to actual expenditures of Contractor for expenses that are necessary for the proper satisfaction of the Contract and are only payable if specifically authorized in advance in writing by the City.
4. **Miscellaneous Charges.** No additional charges will be allowed unless specified in the Contract, including charges for transportation, fuel, containers, packing, or disposal.
5. **Payments to Contractor.** Contractor is responsible for supplying all documentation necessary to verify invoices to the City's satisfaction.
  - A. Payment terms are NET 30 days, unless the Contractor offers a prompt payment discount that was accepted by the City or as otherwise stated in this Contract. Any prompt payment discounts will be computed from the date of acceptance by the City, or from the date an invoice is received, whichever occurs later.
  - B. Invoices must be submitted to either of the addresses specified below.
    - (1) Email. Submit email invoices and any attachments to:  
[apinvoices@cityofsacramento.org](mailto:apinvoices@cityofsacramento.org)
    - (2) Postal Mail. If emailing is not an option, mail to:  
A/P Processing Center  
City of Sacramento  
915 I Street, Floor 4  
Sacramento, CA 95814-2608
  - C. All invoices submitted by CONTRACTOR must contain the following information:
    - (1) Job/Project Name
    - (2) CITY's current Purchase Order Number
    - (3) Contractor's Invoice Number
    - (4) Date of Invoice Issuance
    - (5) Work Order Number (if applicable)
    - (6) CITY representative identified on the Purchase Order
    - (7) Contractor's remit address



- (8) Itemized description of items billed under Invoice
- (9) Itemized description of all authorized Reimbursable Expenses
- (10) Itemized description of all applicable taxes (sales, use, excise, etc.)
- (11) Amount of Invoice (itemize all authorized Reimbursable Expenses)
- (12) Total Billed to Date under Contract (if applicable)

- D. Items must be separated into Goods, Services, and Reimbursable Expenses. All applicable sales, use, excise, or similar taxes, including federal excise tax, must be itemized separately on the invoice. Invoices that do not conform to the format outlined above will be returned to Contractor for correction. City is not responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above.
- E. For Goods only, a bill of lading number and weight of shipment will be shown for shipments on the Government Bill of Lading.
- F. Unless otherwise specified in this Contract, partial payments will not be made by the City and payment will not be due until the completion of the Goods order. No payment precludes the City's right to inspect. Requests for payment status should be addressed to the City Representative for this Contract.

**6. Additional Services.** Additional Services shall be provided only when a Supplemental Contract authorizing the Additional Services is approved in writing by the City in accordance with the City's contract amendment procedures. The City reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform the Additional Services.

**7. Accounting Records of Contractor.** During performance of this Contract and for a period of three years after completion of performance, Contractor shall maintain all accounting and financial records related to this Contract, in accordance with generally accepted accounting practices, including records of Contractor's costs for performance under this Contract and records of Contractor's Reimbursable Expenses. Contractor shall keep and make records available for inspection and audit by representatives of the City upon reasonable written notice.

**8. Tax Payments.** Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request. Contractor hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of Contractor's breach of this section.

**9. Public Works Requirements.** *[To be completed by the City Representative:]*

The services provided under this Contract include ***[check one if applicable]:***

\_\_\_\_\_ Construction work in an amount exceeding \$25,000;

\_\_\_\_\_ Land Surveying, material testing, or inspection services provided for a City construction project during the design, pre-construction, construction, or post-construction phases of the project; or

\_\_\_\_\_ Alteration, demolition, repair, or maintenance work in an amount exceeding \$15,000.

**If any of the lines is checked above**, this Contract includes “Public Work” under the California Labor Code and is subject to the following requirements:

- A. Payment of Prevailing Wages: Contractor and any subcontractor(s) performing any Public Work shall comply with the provisions of Sacramento City Code section 3.60.180 and applicable provisions of the California Labor Code, which require, among other things, that Contractor and all subcontractors pay not less than the prevailing rate of wages, as determined by the Director of the California Department of Industrial Relations (“DIR”) in accordance with California Labor Code section 1773. Contractor and every subcontractor shall maintain payroll records and submit certified payrolls and other labor compliance documentation electronically when and as required by CITY. In addition, Labor Code Section 1771.4 requires the Contractor and any subcontractor performing any Public Work to furnish electronic payroll records directly to the Labor Commissioner. Contractor shall include these requirements in every subcontract.

This Agreement is subject to compliance monitoring and enforcement by the DIR, as specified in California Labor Code section 1771.4. The Contractor and any subcontractor will be subject to withholding and penalties for violation of prevailing wage requirements in accordance with applicable law, including Labor Code Sections 1726, 1741, 1771.5, and 1775, and City Code Section 3.60.180. Questions regarding the City’s Labor Compliance Program should be directed to the City Representative.

- B. DIR Registration: California Labor Code Section 1725.5 requires the Contractor and all subcontractors performing Public Works services to be currently registered with the DIR, as specified in California Labor Code Section 1725.5. California Labor Code Section 1771.1 provides that a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal (subject to the requirements of Section 4104 of the California Public Contract Code), or engage in the performance of any contract for Public Work, unless currently registered and qualified to perform Public Work in accordance with California Labor Code Section 1725.5.

Further information can be found on DIR’s website at <http://www.dir.ca.gov/Public-Works/Contractors.html>. The above summary is provided solely for informational purposes and does not in any way affect the Contractor’s and subcontractors’ obligation to comply in all respects with all other applicable laws and regulations. The Contractor shall disseminate these provisions to all subcontractors.

Before the performance of work by Contractor or any subcontractor(s) under this Contract, Contractor shall furnish Contractor’s and any subcontractors’ current DIR registration number(s). The Contractor’s current DIR registration number and the

current DIR registration number of all subcontractors will be listed on the Subcontractor and LBE Participation Verification Form, incorporated herein.

- C. Workers' Compensation Certification. In accordance with California Labor Code Section 1861, by signing this Contract, Contractor acknowledges and represents that Contractor is aware of the provisions of section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with the provisions of the Labor Code before commencing performance under this Contract.
- D. Apprentices. If this Contract is for the performance of any Public Work, and the amount of the Contract is \$30,000 or more, the Contractor and any subcontractors performing any Public Work under this Contract must comply with and be subject to enforcement under, the provisions of Sacramento City Code Section 3.60.190, Section 1777.5 et seq. of the California Labor Code, and implementing regulations set forth in Title 8 of the California Code of Regulations, governing the employment of apprentices. The Contractor and any subcontractors performing Public Work will be subject to penalties for apprenticeship violations in accordance with Labor Code Section 1777.7.
- E. Working Hours. If this Contract is for the performance of any Public Work, Contractor and any subcontractors performing any Public Work under this Contract must comply with and be subject to enforcement under, the provisions of Sacramento City Code Section 3.60.180 and California Labor Code Section 1810 et seq., governing the working hours of employees performing Public Work.
- F. Failure to Comply with Labor Compliance. If all applicable labor compliance requirements are not met, the City will have the right to withhold or reject a payment request and/or invoice, in whole or in part, without in any way relieving Contractor or its subcontractors of any obligations under this Contract.
- G. Subcontractors. The Contractor shall include these provisions A through F in every subcontract or sub-agreement for any subcontractors performing work under this Contract.

**EXHIBIT C**

**INSURANCE**

1. **Insurance Requirements.** During the entire term of this Contract, Contractor shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that Contractor is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Contract. No additional compensation will be provided for Contractor's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

Contractor's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the Contractor in connection with this Contract.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the Contractor and subcontractors, products and completed operations of Contractor and subcontractors, and premises owned, leased, or used by Contractor and subcontractors, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Contractor and subcontractors; products and completed operations of Contractor and subcontractors; and premises owned, leased, or used by Contractor and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage.** *(Check the applicable provision.)*

  X   Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

       No automobile liability insurance is required, and by signing this Contract, Contractor certifies as follows:

“Contractor certifies that a motor vehicle will not be used in the performance of any work or services under this agreement. If, however, Contractor does transport items under this Contract, or this Contract is amended to require any employees of Contractor to use a



vehicle to perform services under the Contract, Contractor understands that it must maintain and provide evidence of Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.”

4. **Excess Insurance.** The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of Contractor's umbrella or excess coverage and will not contribute to it.
5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** *(Check the applicable provision.)*

Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars (\$1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

No Workers' Compensation insurance is required, and by signing this Contract, Contractor certifies as follows:

“Contractor certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, Contractor hires any employee during the term of this Contract, Contractor understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City.”

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:
- A. Contractor's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers will be in excess of Contractor's insurance and will not contribute with it.
  - B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.
  - C. Coverage shall state that Contractor's insurance applies separately to each insured

against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. Contractor shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance.** Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Contract.

8. **Verification of Coverage.**

A. Contractor shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. Contractor shall send all insurance certificates and endorsements, including policy renewals, during the term of this Contract directly to:

City of Sacramento  
c/o Exigis LLC  
PO Box 947  
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento  
c/o Exigis LLC  
PO Box 947  
Murrieta, CA 92564

D. The City may withdraw its offer of Contract or cancel this Contract if the certificates of insurance and endorsements required have not been provided before execution of this Contract. The City may withhold payments to Contractor and/or cancel the Contract if the insurance is canceled or Contractor otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage.** Contractor shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

## EXHIBIT D

### GENERAL CONDITIONS

#### 1. Independent Contractor.

- A. It is understood and agreed that Contractor (including Contractor's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither Contractor nor Contractor's assigned personnel will be entitled to any benefits payable to CITY employees. CITY is not required to make any deductions or withholdings from the compensation payable to Contractor under the provisions of this Contract, and Contractor will be issued a Form 1099 for its services hereunder. As an independent contractor, Contractor hereby agrees to indemnify and hold CITY harmless from any and all claims that may be made against CITY based upon any contention by any of Contractor's employees or by any third party, including any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Contract or by reason of the nature and/or performance under this Contract.
- B. It is further understood and agreed by the parties that Contractor, in the performance of its obligations, is subject to the City's control and direction as to the designation of tasks to be performed and the results to be accomplished under this Contract, but not as to the means, methods, or sequence used by Contractor for accomplishing the results. To the extent that Contractor obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Contract, this use will be at the Contractor's sole discretion based on the Contractor's determination that the use will promote Contractor's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Contract, the CITY does not require that Contractor use CITY facilities, equipment or support services or work in CITY locations in the performance of this Contract. As used in this Contract, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.
- C. If, in the performance of this Contract, any third persons are employed by Contractor, such persons will be entirely and exclusively under the direction, supervision, and control of Contractor. Except as otherwise provided in this Contract, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Contractor. It is further understood and agreed that Contractor will issue W-2 or 1099 Forms for income and employment tax purposes for all Contractor's assigned personnel and subcontractors.
- D. The provisions of this section will survive any expiration or termination of this Contract. Nothing in this Contract creates an exclusive relationship between CITY and Contractor. Contractor may represent, perform services for, or be employed by any additional persons or companies so long as Contractor does not violate the provisions of Section 5, below.

2. **Licenses; Permits, Etc.** Contractor represents and warrants that Contractor has, and shall maintain at all times during the term of this Contract at its sole cost and expense, all licenses, permits, qualifications, and approvals of any nature that are legally required for Contractor to practice its profession or fulfill the terms of this Contract, including a City Business Operations Tax Certificate and any required certification issued by the California Secretary of State.
3. **Time.** Time is off the essence in the performance of this Contract. Contractor shall devote the necessary time and effort to its performance under this Contract. Neither party will be considered in default of this Contract, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.
4. **Contractor Not Agent.** Except as City may specify in writing, Contractor and Contractor's personnel have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor and Contractor's personnel shall have no authority, express or implied, to bind City to any obligations whatsoever.
5. **Conflicts of Interest.** Contractor covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the City's interests or that would in any way hinder Contractor's performance under this Contract. Contractor further covenants that in the performance of this Contract, no person having any such interest will be employed by it as an officer, employee, agent or subcontractor, without the City's written consent.

Contractor agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Contract. If Contractor is or employs a former officer or employee of the City, Contractor and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any City department, board, commission, or committee.

6. **Hazardous Substances.** "Hazardous Substances" means any substance, material, waste, or other pollutant or contaminant that is or becomes designated, classified, or regulated as hazardous or toxic under any law, regulation, rule, order, decree, or other governmental requirement now in effect or later enacted. If Contractor is shipping Hazardous Substances, Contractor must supply a Safety Data Sheet ("SDS") with the first shipment of Hazardous Substances to each City location receiving the Hazardous Substances. If the content of an SDS is revised, Contractor must provide a revised SDS to each City location receiving Hazardous Substances.
7. **Confidentiality of City Information.** During performance of this Contract, Contractor may gain access to and use City information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special and unique assets of the City.

Contractor agrees to protect all City Information and treat it as strictly confidential, and further agrees that Contractor shall not at any time, either directly or indirectly, divulge, disclose or



communicate in any manner any City Information to any third party without the City's prior written consent.

In addition, Contractor must comply with all City policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by Contractor of this section is a material violation of this Contract and shall justify legal and equitable relief.

**8. Contractor Information.**

- A. City shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Contractor under this Contract. In this Contract, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostating, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. Contractor shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by City.
- B. Contractor shall fully defend, indemnify and hold harmless City, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by Contractor under this Contract infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. City shall make reasonable efforts to notify Contractor not later than ten days after City is served with any such claim, action, lawsuit or other proceeding. However, City's failure to provide notice within the ten-day period does not relieve Contractor of its obligations hereunder, which survive any termination or expiration of this Contract.
- C. All proprietary and other information received from Contractor by City, whether received in connection with Contractor's proposal to City or in connection with Contractor's performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to City, City shall give notice to Contractor of any request for the disclosure of such information. The Contractor will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. The Contractor shall have sole responsibility for defense of the actual "trade secret" designation of such information.
- D. The parties understand and agree that any failure by Contractor to respond to the notice provided by City and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by Contractor of any rights regarding the information designated "trade secret" by Contractor, and the information will be disclosed by City in accordance with the Public Records Act.

- 9. Notification of Material Changes in Business.** Contractor agrees that if it experiences any material changes in its business, including a reorganization, refinancing, restructuring, leveraged buyout, bankruptcy, name change, or loss of key personnel, it will immediately notify the City of the changes. Contractor also agrees to immediately notify the City of any condition that may jeopardize the scheduled delivery or fulfillment of Contractor's obligations to the City under this Contract.
- 10. Standard of Performance.** Contractor shall perform in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California and in compliance with all requirements of this Contract. All products that Contractor delivers to City under this Contract must be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession.
- Contractor shall assign only competent personnel to perform on its behalf under this Contract. Contractor must notify the City in writing of any changes in Contractor's staff assigned to perform under this Contract, before any performance by the new staff member. If the City, in its sole discretion, determines that any person assigned by the Contractor to perform under this Contract is not performing in accordance with the standards required herein, City shall provide notice to Contractor. Contractor shall immediately remove the assigned person upon receipt of the notice.
- 11. Performance or Different Terms and Conditions.** The City's subsequent performance will not be construed as either acceptance of additional or different terms and conditions or a counteroffer by the Contractor, nor will the City's subsequent performance be viewed as acceptance of any provision of the Uniform Commercial Code, as adopted by any State, that is contrary to the terms and conditions contained herein. Contractor's performance shall conform to the applicable requirements of the Sacramento City Charter, Sacramento City Code, and all applicable State and Federal laws, and all the requirements of this Contract. The California Commercial Code will apply except as otherwise provided in the Contract.
- 12. Emergency/Declared Disaster Requirements.** If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state or federal government, this Contract may be subjected to increased usage. The Contractor shall serve the City during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency / non-disaster conditions. The pricing set forth in this Contract will apply, without mark-up, regardless of the circumstances. If the Contractor is unable to fulfill the terms of the Contract because of a disruption in its chain of supply or service, then the Contractor shall provide proof of the disruption. Acceptable forms of proof will include a letter or notice from the Contractor's source stating the reason for the disruption
- 13. Term; Suspension; Termination.**
- A. This Contract is effective on the Effective Date and continues in effect until both parties have fully performed their respective obligations under this Contract, unless sooner terminated as provided herein.
  - B. City shall have the right at any time to suspend Contractor's performance hereunder, in whole or in part, by giving a written notice of suspension to Contractor. Upon receipt of

such notice, Contractor shall immediately suspend its activities under this Contract, as specified in the notice.

C. The City shall have the right to terminate this Contract at any time by giving a written notice of termination to Contractor. Upon receipt of such notice, Contractor shall immediately cease performance under this Contract as specified in the notice. If the City terminates this Contract:

(1) Contractor shall, not later than five days after receipt of the notice, deliver all information prepared under this Contract to the City.

(2) The City shall pay Contractor the reasonable value of Goods or Services provided by Contractor before termination; provided, however, City shall not in any manner be liable for lost profits that might have been made by Contractor had the Contract not been terminated or had Contractor completed performance required by this Contract. Contractor shall furnish to the City any financial information requested by the City to determine the reasonable value of the Goods or Services provided by Contractor. The foregoing is cumulative and does not affect any right or remedy that City may have in law or equity.

**14. Default by Contractor.** In case of default by the Contractor, the City reserves the right to procure the Goods or Services from other sources and deduct from any monies due, or that may thereafter become due to the Contractor, the difference between the price named in this Contract and the actual cost to the City to procure from an alternate source. Prices paid by the City will be considered the prevailing market price at the time such purchase is made.

**15. Guarantee and Warranty.** Contractor assumes design responsibility and warrants the articles to be free from design defect and suitable for the purposes intended by City. If it is determined by the City that the Goods and Services do not meet the minimum requirements of this Contract, the Contractor shall correct the same at Contractor's sole expense.

A. The Contractor agrees that the Goods and Services furnished under this Contract will be covered by the industry standard or better warranty.

B. Contractor further warrants that the Goods and Services furnished under this Contract will be covered by the most favorable commercial warranties the Contractor gives to any customer for the Goods and Services and that the rights and remedies provided herein are in addition to and do not limit any rights afforded to the City at law or equity, or by any other clause of this Contract.

C. Any additional warranties provided by law, including the warranty of merchantability and warranty of fitness for a particular purpose will remain in full force and effect and inure to the City's benefit. City reserves all rights and remedies provided by law for breach of any applicable warranty related to the Goods and Services.

D. City's inspections, approval, acceptance, or payment for all or part of any Goods and

Services will in no way affect City's warranty rights.

**16. Indemnity.**

- A. Indemnity: Contractor shall defend, hold harmless, and indemnify City, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Contract, including any fees and costs reasonably incurred by City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Contract by Contractor, any subcontractor (including lower-tier subcontractors) or agent of Contractor, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the supervision and control of Contractor or any subcontractor (including lower-tier subcontractors) or agent of Contractor.
- B. Insurance Policies; Intellectual Property Claims: The existence or acceptance by City of any of the insurance policies or coverages described in this Contract will not affect or limit any of City's rights under this Section, nor will the limits of any insurance limit the liability of Contractor hereunder. This Section will not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of section 8.B., above.
- C. Survival. The provisions of this section will survive any expiration or termination of this Contract.

**17. Funding Availability.**

- A. This Contract is subject to the budget and fiscal provisions of the Charter and the Sacramento City Code.
- B. The City's payment obligation under this Contract will not exceed the amount of funds appropriated and approved for this Contract by the Sacramento City Council.
- C. This Section shall govern over any other contrary provision of the Contract.

**18. Equal Employment Opportunity.** During the performance of this Contract, Contractor, for itself,



its assignees and successors in interest, agrees as follows:

- A. Compliance With Regulations: Contractor shall comply with all state, local, and federal anti-discrimination laws and regulations, including the Executive Order 11246 entitled "Equal Opportunity in Federal Employment," as amended by Executive Order 11375, 12086, and 13672, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), referred to collectively as the "Regulations."
- B. Nondiscrimination: Contractor, with regards to the work performed by it after award and before completion of the work under this Contract, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in discrimination prohibited by the Regulations.
- C. Solicitations for Subcontractors, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by Contractor for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligation under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.
- D. Information and Reports: Contractor shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City to be pertinent to ascertain compliance with the Regulations, orders and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to the City, and shall set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of noncompliance by Contractor with the nondiscrimination provisions of this Contract, the City shall impose any sanctions it determines are appropriate including:
  - (1) Withholding of payments to Contractor under this Contract until Contractor complies;
  - (2) Cancellation, termination, or suspension of this Contract, in whole or in part.
- F. Incorporation of Provisions: Contractor shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. The City may direct Contractor to take specific actions to enforce these provisions, including sanctions for noncompliance; provided, however, that if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Contractor may request that the City join such litigation to protect the City's interests.

19. **Entire Agreement.** This Contract, including all Exhibits and documents referenced herein, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had before the execution of this Contract. No alteration to the terms of this Contract shall be valid unless approved in writing by Contractor, and by City, in accordance with applicable provisions of the Sacramento City Code.
20. **Modification of Contract.** The Contractor shall take no direction from any City employee that changes the executed terms and conditions of the Contract, including Exhibit A, or any change that impacts the cost, price, or schedule, before receiving a written, signed modification to the Contract.
21. **Severability.** If a court with jurisdiction rules that any portion of this Contract or its application to any person or circumstance is invalid or unenforceable, the remainder of this Contract will not be affected thereby and will remain valid and enforceable as written, to the greatest extent permitted by law.
22. **Waiver.** Neither the City's acceptance of, or payment for, any Goods or Services, nor any waiver by either party of any default, breach or condition precedent, will be construed as a waiver of any provision of this Contract, nor as a waiver of any other default, breach or condition precedent or any other right hereunder. No waiver will be effective unless it is in writing and signed by the waiving party.
23. **Governing Law.** This Contract shall be governed, construed and enforced in accordance with the laws of the State of California, except that the rule of interpretation in California Civil Code section 1654 will not apply. Venue of any litigation arising out of this Contract will lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
24. **Assignment Prohibited.** The expertise and experience of Contractor are material considerations for this Contract. City has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on Contractor under this Agreement. In recognition of this interest, Contractor shall not assign any right or obligation pursuant to this Contract without the written consent of the City. Any attempted or purported assignment without City's written consent shall be void and of no effect.
25. **Binding Effect.** This Contract is binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 24, above.
26. **Compliance with Laws.** The Contractor shall be responsible for strict compliance with all applicable laws, regulations, court orders and other legal requirements applicable to the work to be accomplished under the Contract, including the California Occupational Safety and Health Act and all applicable safety orders issued by the Division of Occupational Safety and Health, Department of Industrial Relations, State of California, and all applicable requirements of Underwriters Laboratories and the Federal Communication Commission.

**27. Debarment Certification**

A. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the City is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, CONTRACTOR warrants and certifies under penalty of perjury under the laws of the State of California that Contractor, including any owner, partner, director, officer, or principal of the CONTRACTOR, or any person in a position with management responsibility or responsibility for the administration of federal funds:

(1) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

(2) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

(3) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above; or

(4) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default.

(5) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds \$3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

B. CONTRACTOR further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the City.

C. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Contractor's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.

D. City will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. The CONTRACTOR shall provide immediate written notice to the City if, at any time prior to execution, the CONTRACTOR learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that the Contractor's warranties and certification in this Section were erroneous, the City may terminate this Agreement for default.

Executed as of the day and year first above stated.

**CITY OF SACRAMENTO**  
A Municipal Corporation

By: \_\_\_\_\_

Print name: Mario Lara

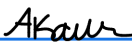
Title: Assistant City Manager

For: Howard Chan, City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
Arvinder Kaur (Nov 18, 2024 10:10 PST)

\_\_\_\_\_  
City Attorney

**Attachments**

- Exhibit A      Technical Specifications
- Exhibit B      Payment
- Exhibit C      Insurance
- Exhibit D      General Conditions



**CONTRACTOR:**

TLCS, Inc. dba Hope Cooperative  
NAME OF FIRM

942777955  
Federal I.D. No.

\_\_\_\_\_  
State I.D. No.

\_\_\_\_\_  
City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY (*check one*):

- Individual/Sole Proprietor
- Partnership
- Corporation (*may require 2 signatures*)
- Limited Liability Company
- Other (*please specify: 501c3*)

*April Ludwig*  
\_\_\_\_\_  
**Signature of Authorized Person**

April Ludwig, CEO  
\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Additional Signature (*if required*)

\_\_\_\_\_  
Print Name and Title

# Attachment 1 to Exhibit A

## Outreach and Engagement Center

### Scope of Services

TLCS Inc., DBA Hope Cooperative ("Hope") shall provide overnight respite and services for individuals experiencing homelessness at the Outreach and Engagement Center ("OEC"), located at 3615 Auburn Blvd., Sacramento, CA 95821. Services include providing a safe and supportive space to stay overnight, introducing clients to the Continuum of Care, and assisting with enrollment into mainstream services and triage into appropriate shelter and housing programs in the community.

#### 1. Client Supports

Upon entrance to the Outreach and Engagement Center and enrollment into the program, Hope Cooperative will provide individuals with supportive items such as clothing, hygiene and personal care items, as needed. Hope will provide food for guests, including one hot meal per day. Hope will also provide continued maintenance of accessible restroom service and janitorial services for the OEC.

#### 2. Access

Overnight respite and daytime engagement/triage services shall be provided for up to 75 guests, with the ability to expand to 125 guests during inclement weather conditions. Capacity should be limited to reserve 25 spots specifically for families. Admittance to the program shall take place by referral from the Department of Community Response ("DCR") or DCR contracted partners. Hope Cooperative may be expected to participate in the Coordinated Access System (CAS).

#### 3. Staffing

Continue to hire, train and onboard the following staff positions:

# of FTE	Position
0.5	Program Director
2	Program Manager
18	Respite Staff
4	Shift Supervisors
3	Case Managers
.1	Maintenance

#### 4. Program Deliverables

Hope Cooperative shall comply with the following program deliverables:

- A. Hope shall be responsible for all daily program operations in accordance with the attached Outreach and Engagement Center Good Neighbor Policy.
- B. Hope shall be responsible for providing security in accordance with the Good Neighbor Policy.

- C. Enrolling individuals into the Outreach and Engagement Center Program within the local Homeless Management Information System (HMIS). Utilizing HMIS to ensure referral to the Continuum of Care's Coordinated Access System.
- D. Encouraging the proper storage of personal belongings and the proper disposal of trash.
- E. Providing guest centered services, this can include the following:
  - Case management
  - Linking to resources that address physical health, behavioral health, housing, employment, and other basic needs.
    - i. This includes providing clothing, warming/cooling supplies, assistance with documentation, blankets, hygiene supplies, and other similar items individuals experiencing homelessness may need.
    - ii. Through onsite services and community partners, providing referrals for but not limited to behavioral health services, mental health services, substance use disorder services, crisis intervention, financial services, medical needs, and holistic support as considered appropriate.
  - Facilitating referrals to other community-based supports and appropriate social services.
- F. Encouraging entry into available shelter beds and housing when available.
- G. Deescalating individuals in mental health crises using evidence-based practices. This includes providing monthly staff trainings to ensure staff are trauma informed, culturally competent and engaged in harm reduction practices.
- H. Agree to an open information exchange between Hope Cooperative and DCR to best assist persons in obtaining services and engaging with local resources
- I. Engage with the City's cleanup and waste disposal contractor to minimize neighborhood trash impact.
- J. Abide by a 30% positive exit rate with 90 days of program enrollment.
- K. Any concerns relative to the Outreach and Engagement Center shall be directed to the Department of Community Response, including maintenance needs.

The City agrees to provide respite staff with office space at 3615 Auburn Blvd., Sacramento, CA 95821. Hope will continue to provide appropriate technological equipment to staff, including laptops/tablets/computers with internet connectivity. As well as Wi-Fi and internet accessibility to guests.

#### 5. Reporting Requirements

Hope Cooperative shall enroll individuals into the Outreach and Engagement Center Program within the local Homeless Management Information System (HMIS) within 24 hours of entry into the OEC and shall update information in HMIS as often as necessary. Hope shall follow HMIS guidelines regarding information entry into the system.

Hope will send a daily morning email to DCR's Social Services Manager and Program Specialists on the count of guests during the previous night, including relevant demographic information. During weather respite, Hope will include a separate count of guests and relevant demographic information.

#### 6. Monitoring

In addition to the monthly reporting requirement, Hope Cooperative shall permit the City to conduct at least one desk audit during the one-year contract term. In addition to desk audits, Hope Cooperative shall permit the City to conduct onsite monitoring visits, at a minimum, once per month at the City's discretion. During the desk audit and/ or onsite monitoring visit, the City shall request to see documentation corroborating expenses claimed including but not limited to timesheets, payroll summaries, travel mileage reports, and receipts.

Attachment 1 to Exhibit B  
Budget

**Hope Cooperative (TLCS, Inc.)  
Outreach & Engagement Center**

<b>Expenses</b>	
<b>Total Salaries</b>	\$ 1,471,552
Programmatic Salaries (27.5 FTEs)	\$ 1,466,664
Maintenance Salaries (.1 FTEs)	\$ 4,888
<b>Total Taxes &amp; Benefits</b>	\$ 413,447
Payroll Taxes	\$ 112,574
Health Benefits	\$ 231,840
Retirement	\$ 44,147
Workers Compensation	\$ 14,836
Unemployment Insurance Expense	\$ 10,050
<b>Total Personnel Expenses</b>	\$ 1,884,999
<b>Total Occupancy Expenses</b>	\$ 422,457
Janitorial/Carpet Cleaning	\$ 34,800
Pest Control	\$ 1,440
Property Maintenance & Repairs	\$ 25,000
Repair Materials	\$ 7,217
Security / Alarm Monitoring Services	\$ 354,000
<b>Total Office Expenses</b>	\$ 10,375
Office Supplies	\$ 5,000
Printing & Photocopying	\$ 5,000
Subscriptions & Memberships (Amazon, Sams Club)	\$ 375
<b>Total Communication Expense</b>	\$ 7,320
Mobile Phone	\$ 3,000
Telephone	\$ 3,240
Internet	\$ 1,080
<b>Total Equipment Leases</b>	\$ 500
Equipment Leases (Printer)	\$ 500
<b>Total Information Technology (Wifi, Licenses)</b>	\$ 43,884
IT Support/Maintenance	\$ 33,120
IT Hardware	\$ 8,280
IT Software	\$ 2,484
<b>Total Insurance</b>	\$ 19,600
Property Liability	\$ 5,500
General Liability & D&O Insurance	\$ 4,100
Professional Liability	\$ 10,000
<b>Total Staff Travel</b>	\$ 1,000
Staff Travel (Parking fees, mileage traveled)	\$ 1,000
<b>Total Staff Development</b>	\$ 12,807
Staff Development (Monthly trainings; trauma informed care, crisis assessment, harm reduction, etc.)	\$ 12,807
<b>Total Client Supports</b>	\$ 255,545

Client Transportation Expense	\$	10,000
Client Activities / Recreation	\$	4,545
Client Needs (Clothing, Hygiene, Life Documents)	\$	41,000
Client Sustenance / Food	\$	200,000
<b>Total Other Program Operations</b>	\$	<b>175,000</b>
Program Supplies (Restroom Rentals, Laundry, Cleaning Supplies)	\$	175,000
<b>Total Operating Expenses</b>	\$	<b>948,488</b>
<b>Total Direct Expenses</b>	\$	<b>2,833,486</b>
<b>Indirect Administration (11%)</b>	\$	<b>311,514</b>
<b>Total Program Expense</b>	\$	<b>3,145,000</b>

### Payment Method

The City will issue reimbursement for expenses on a monthly basis. As part of the reimbursement package, Hope Cooperative must submit an invoice summarizing all staff time and expenses charged to the program, as well as payroll and supporting documentation, as required by Exhibit B and as requested by DCR.

## Outreach and Engagement Center Good Neighbor Policy

The Outreach and Engagement Center (OEC) shall provide overnight respite and daytime engagement/triage services for up to 75 guests daily. The goal of the program shall be to provide life-saving resources for the most vulnerable members of our community through providing a safe space to stay overnight, introducing them to our Continuum of Care, and assisting with enrollment into mainstream services and triage into appropriate shelter and housing programs in the community.

Admittance to the program shall take place by referral from the Department of Community Response (DCR) or contracted partners when applicable. Intakes will take place upon entry, and will include entry/update into the Homeless Management Information System (HMIS), as well as review and signature of program expectations. The program will be staffed 24 hours a day, seven days a week.

During Weather Respite Activation, the OEC shall expand to accommodate an additional 50 individuals per night. These individuals will not be enrolled into the OEC program within HMIS. The OEC will only activate weather respite under the City's [Weather Respite Activation Criteria](#) and at the discretion of the Department of Community Response.

All community inquiries about the program, premises, and guests should be submitted to DCR.

### A. Program Operation.

- Contractor will be responsible for daily program operations.
- The program will be locked to limit access to only approved guests.
- Prior to program entry, prospective guests will be screened for California Penal Code § 290 status using a federal database public search, and registered sex offenders will not be permitted access.
- All guests will be required to pass through a security check upon site entry. During this check, they will be asked to have personal items searched. There shall be no weapons permitted on site (this includes, but is not limited to knives, firearms or other projectile weapons, blunt objects, etc.).
- Guests will not be permitted to leave the property after nightly intake is completed unless there are mitigating circumstances approved by the contractor.
- Services will be guest-centered. They include case management, linking to financial and non-financial resources, medical and behavioral health, alcohol and other drug treatment, employment and others.
- The site is limited to guests, service providers and staff. No visitors are permitted.
- Drug use and sales are not allowed on or around the program site. Possession is not allowed on-site.
- Client Agreements. Hope will provide all clients with a client agreement to be read and signed upon program entry. The client agreement should include a summary of the provisions of the Good Neighbor Policy.
- Incident Reports. Should a reportable event occur, Hope must notify the City within a reasonable timeframe, no more than 12 hours after the incident has occurred. A written report should be provided to DCR's Social Services Manager within three (3) days. A reportable event includes but is not limited to the following:
  - Death of a client
  - Facility related injury requiring medical treatment
  - All cases of communicable diseases
  - Poisonings
  - Catastrophes related to a natural disaster

### B. Noise.

1. No amplified sound is allowed on the site.
2. All noise from outside activities should be consistent with normal activities in the neighborhood and should not have a significant impact on the neighborhood.



### C. Cleanliness.

1. The area around the program shall be kept clean, with no visible negative impact to the neighborhood.
2. Guests can only smoke in designated smoking areas and must properly dispose of all cigarette butts.
3. Hope is responsible for janitorial upkeep of the building. Including maintenance to the outdoor restroom and shower facilities.

### D. Site Staff.

1. The program will be staffed by the Contractor 24-hours a day, seven days a week.
2. Staff will be experienced in working with vulnerable populations, including those suffering from mental health issues, understand cultural competencies, and be knowledgeable in de-escalating crises as necessary.
3. Staff will be trained in areas such as harm reduction principles, cultural competencies, de-escalation, and trauma-informed care.

### E. Site Security.

1. Due to the size and layout of the property, 24-hour security must be on-site and patrolling the outside perimeter to provide a safe environment for guests and staff. Security Guards must also be trained in areas such as harm reduction principles, cultural competencies, de-escalation, and trauma-informed care.
2. Contractor will endeavor to keep all guests indoors during the overnight hours and make all reasonable efforts to keep guests safe from the elements. Guests who experience difficulty with interpersonal interactions will be offered a designated isolation space as available, to de-escalate any behavioral issues observed by staff and other guests.
3. Guests who engage in criminal behavior, as well as guests who have been asked to leave due to unsafe behaviors and refuse to do so will be subject to law enforcement action removal.
4. The program will be enclosed by a fence with one primary entrance and exit which shall be monitored by staff.
5. Guests' belongings will be searched before they are allowed to enter.
6. Loitering, camping, and informal food and clothing distribution around the program will not be allowed.
7. Crime Prevention Through Environmental Design (CPTED) strategies will be utilized to identify and remedy areas that are dark or secluded or otherwise places of vulnerability.

### F. Community and Coordination with the Neighborhood

1. Regular Community meetings will be hosted to provide updates regarding program operations and will provide a venue for neighbors, businesses, and other community stakeholders to provide feedback and co-produce improvements.
2. As the Children's Receiving Home (CRH) is bordered directly to the west of the property, should any participant of their program come onto the program site, a designated contact from CRH will be immediately notified, and all efforts will be made to return them to CRH.
3. The City has established signage along the access road bordering the program site and the CRH outlining that the road is intended for emergency access and therefore parking, loitering or camping is not permitted. The City intends to maintain that area for its intended purpose. Additionally, the City will establish any additional signage as needed. Contracted security will regularly patrol this area on perimeter checks to ensure safety and compliance.



# CERTIFICATE OF LIABILITY INSURANCE

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

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

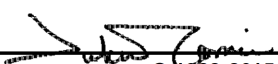
<b>PRODUCER</b> USI Insurance Services, LLC Lic # OG11911 10940 White Rock Rd 2nd Fl Rancho Cordova, CA 95670	<b>CONTACT NAME:</b> Alicia Montore <b>PHONE (A/C, No, Ext):</b> 916 589-8000 <b>E-MAIL ADDRESS:</b> alicia.montore@usi.com	<b>FAX (A/C, No):</b>
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> TLCS Inc. dba Hope Cooperative 650 Howe Ave, Suite 400-A Sacramento, CA 95825	<b>INSURER A :</b> Philadelphia Indemnity Insurance Co.	<b>NAIC #</b> 18058
	<b>INSURER B :</b> Redwood Fire and Casualty Insurance Co.	11673
	<b>INSURER C :</b>	
	<b>INSURER D :</b>	
	<b>INSURER E :</b>	
	<b>INSURER F :</b>	

**COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			PHPK2697568001	10/01/2024	10/01/2025	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			PHPK2697568001	10/01/2024	10/01/2025	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			PHUB915029001	10/01/2024	10/01/2025	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y / N <input checked="" type="checkbox"/> N / A			TLWC532903	10/01/2024	10/01/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liab			PHPK2697568001	10/01/2024	10/01/2025	\$1M Each Inc./\$3M Agg.
A	Abusive Conduct			PHPK2697568001	10/01/2024	10/01/2025	\$1,000,000 Each Conduct

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**The General Liability policy includes an automatic Additional Insured endorsement that provides Additional Insured status to the Certificate Holder only when there is a written contract that requires such status and/or only with regards to work performed by or on behalf of the named insured. The General Liability policy and Workers Compensation policies also include a Waiver of Subrogation in favor of the certificate holder when required by contract.**  
**(See Attached Descriptions)**

<b>CERTIFICATE HOLDER</b>  City of Sacramento c/o Exigis LLC PO Box 947 Murrieta, CA 92564-0000	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  
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**DESCRIPTIONS (Continued from Page 1)**

RE: Leased Respite Center: 3615 Auburn Blvd. Sacramento, CA 95821

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****GENERAL LIABILITY DELUXE ENDORSEMENT:  
HUMAN SERVICES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE**

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement. The following is a summary of the Limits of Insurance and additional coverages provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

<b>Coverage Applicable</b>	<b>Limit of Insurance</b>	<b>Page #</b>
Extended Property Damage	Included	2
Limited Rental Lease Agreement Contractual Liability	\$50,000 limit	2
Non-Owned Watercraft	Less than 58 feet	2
Damage to Property You Own, Rent, or Occupy	\$30,000 limit	2
Damage to Premises Rented to You	\$1,000,000	3
HIPAA	Clarification	4
Medical Payments	\$20,000	5
Medical Payments – Extended Reporting Period	3 years	5
Athletic Activities	Amended	5
Supplementary Payments – Bail Bonds	\$5,000	5
Supplementary Payment – Loss of Earnings	\$1,000 per day	5
Employee Indemnification Defense Coverage	\$25,000	5
Key and Lock Replacement – Janitorial Services Client Coverage	\$10,000 limit	6
Additional Insured – Newly Acquired Time Period	Amended	6
Additional Insured – Medical Directors and Administrators	Included	7
Additional Insured – Managers and Supervisors (with Fellow Employee Coverage)	Included	7
Additional Insured – Broadened Named Insured	Included	7
Additional Insured – Funding Source	Included	7
Additional Insured – Home Care Providers	Included	7
Additional Insured – Managers, Landlords, or Lessors of Premises	Included	7
Additional Insured – Lessor of Leased Equipment	Included	7
Additional Insured – Grantor of Permits	Included	8
Additional Insured – Vendor	Included	8
Additional Insured – Franchisor	Included	9
Additional Insured – When Required by Contract	Included	9
Additional Insured – Owners, Lessees, or Contractors	Included	9
Additional Insured – State or Political Subdivisions	Included	10

Duties in the Event of Occurrence, Claim or Suit	Included	10
Unintentional Failure to Disclose Hazards	Included	10
Transfer of Rights of Recovery Against Others To Us	Clarification	10
Liberalization	Included	11
Bodily Injury – includes Mental Anguish	Included	11
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included	11

#### A. Extended Property Damage

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection 2. **Exclusions**, Paragraph a. is deleted in its entirety and replaced by the following:

##### a. Expected or Intended Injury

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

#### B. Limited Rental Lease Agreement Contractual Liability

**SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection 2. **Exclusions**, Paragraph b. **Contractual Liability** is amended to include the following:

- (3) Based on the named insured’s request at the time of claim, we agree to indemnify the named insured for their liability assumed in a contract or agreement regarding the rental or lease of a premises on behalf of their client, up to \$50,000. This coverage extension only applies to rental lease agreements. This coverage is excess over any renter’s liability insurance of the client.

#### C. Non-Owned Watercraft

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection 2. **Exclusions**, Paragraph g. (2) is deleted in its entirety and replaced by the following:

- (2) A watercraft you do not own that is:
- (a) Less than 58 feet long; and
  - (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess or contingent.

#### D. Damage to Property You Own, Rent or Occupy

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE**

**LIABILITY**, Subsection **2. Exclusions**, Paragraph **j. Damage to Property**, Item **(1)** is deleted in its entirety and replaced with the following:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property, unless the damage to property is caused by your client, up to a \$30,000 limit. A client is defined as a person under your direct care and supervision.

**E. Damage to Premises Rented to You**

1. If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to "fire, lightning, explosion, smoke, or leakage from automatic fire protective systems" where it appears in:

- a. The last paragraph of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**; is deleted in its entirety and replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is deleted in its entirety and replaced by the following:

Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems while rented to you or temporarily occupied by you with permission of the owner.

- c. **SECTION V – DEFINITIONS**, Paragraph 9.a., is deleted in its entirety and replaced by the following:

A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

2. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection **4. Other Insurance**, Paragraph **b. Excess Insurance**, **(1) (a) (ii)** is deleted in its entirety and replaced by the following:

That is insurance for fire, lightning, explosion, smoke, or leakage from automatic fire protective systems for premises rented to you or temporarily occupied by you with permission of the owner;

3. The Damage To Premises Rented To You Limit section of the Declarations is amended to the greater of:



- a. \$1,000,000; or
- b. The amount shown in the Declarations as the Damage to Premises Rented to You Limit.

This is the most we will pay for all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke, or leaks from automatic fire protective systems or any combination thereof.

**F. HIPAA**

**SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY,** is amended as follows:

- 1. Paragraph 1. **Insuring Agreement** is amended to include the following:

We will pay those sums that the insured becomes legally obligated to pay as damages because of a “violation(s)” of the Health Insurance Portability and Accountability Act (HIPAA). We have the right and the duty to defend the insured against any “suit,” “investigation,” or “civil proceeding” seeking these damages. However, we will have no duty to defend the insured against any “suit” seeking damages, “investigation,” or “civil proceeding” to which this insurance does not apply.

- 2. Paragraph 2. **Exclusions** is amended to include the following additional exclusions:

This insurance does not apply to:

- a. **Intentional, Willful, or Deliberate Violations**

Any willful, intentional, or deliberate “violation(s)” by any insured.

- b. **Criminal Acts**

Any “violation” which results in any criminal penalties under the HIPAA.

- c. **Other Remedies**

Any remedy other than monetary damages for penalties assessed.

- d. **Compliance Reviews or Audits**

Any compliance reviews by the Department of Health and Human Services.

- 3. **SECTION V – DEFINITIONS** is amended to include the following additional definitions:

- a. “Civil proceeding” means an action by the Department of Health and Human Services (HHS) arising out of “violations.”
- b. “Investigation” means an examination of an actual or alleged “violation(s)” by HHS. However, “investigation” does not include a Compliance Review.
- c. “Violation” means the actual or alleged failure to comply with the regulations included in the HIPAA.

**G. Medical Payments – Limit Increased to \$20,000, Extended Reporting Period**

If **COVERAGE C MEDICAL PAYMENTS** is not otherwise excluded from this Coverage Part:

1. The Medical Expense Limit is changed subject to all of the terms of **SECTION III - LIMITS OF INSURANCE** to the greater of:

- a. \$20,000; or
- b. The Medical Expense Limit shown in the Declarations of this Coverage Part.

2. **SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS**, Subsection 1. **Insuring Agreement**, a. (3) (b) is deleted in its entirety and replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident.

**H. Athletic Activities**

**SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS**, Subsection 2. **Exclusions**, Paragraph e. **Athletic Activities** is deleted in its entirety and replaced with the following:

**e. Athletic Activities**

To a person injured while taking part in athletics.

**I. Supplementary Payments**

**SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS - COVERAGE A AND B** are amended as follows:

1. b. is deleted in its entirety and replaced by the following:

1. b. Up to \$5000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these.

- 1.d. is deleted in its entirety and replaced by the following:

1. d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

**J. Employee Indemnification Defense Coverage**

**SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** the following is added:

We will pay, on your behalf, defense costs incurred by an “employee” in a criminal proceeding occurring in the course of employment.

The most we will pay for any “employee” who is alleged to be directly involved in a criminal proceeding is \$25,000 regardless of the numbers of “employees,” claims or “suits” brought or persons or organizations making claims or bringing “suits.”

**K. Key and Lock Replacement – Janitorial Services Client Coverage**

**SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** is amended to include the following:

We will pay for the cost to replace keys and locks at the “clients” premises due to theft or other loss to keys entrusted to you by your “client,” up to a \$10,000 limit per occurrence and \$10,000 policy aggregate.

We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that you or any of your partners, members, officers, “employees”, “managers”, directors, trustees, authorized representatives or any one to whom you entrust the keys of a “client” for any purpose commit, whether acting alone or in collusion with other persons.

The following, when used on this coverage, are defined as follows:

- a. "Client" means an individual, company or organization with whom you have a written contract or work order for your services for a described premises and have billed for your services.
- b. "Employee" means:
  - (1) Any natural person:
    - (a) While in your service or for 30 days after termination of service;
    - (b) Who you compensate directly by salary, wages or commissions; and
    - (c) Who you have the right to direct and control while performing services for you; or
  - (2) Any natural person who is furnished temporarily to you:
    - (a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
    - (b) To meet seasonal or short-term workload conditions;
 while that person is subject to your direction and control and performing services for you.
  - (3) "Employee" does not mean:
    - (a) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
    - (b) Any "manager," director or trustee except while performing acts coming within the scope of the usual duties of an "employee."
- c. "Manager" means a person serving in a directorial capacity for a limited liability company.

**L. Additional Insureds**

**SECTION II – WHO IS AN INSURED** is amended as follows:

- 1. If coverage for newly acquired or formed organizations is not otherwise excluded from this



Coverage Part, Paragraph 3.a. is deleted in its entirety and replaced by the following:

a. Coverage under this provision is afforded until the end of the policy period.

2. Each of the following is also an insured:

a. **Medical Directors and Administrators** – Your medical directors and administrators, but only while acting within the scope of and during the course of their duties as such. Such duties do not include the furnishing or failure to furnish professional services of any physician or psychiatrist in the treatment of a patient.

b. **Managers and Supervisors** – Your managers and supervisors are also insureds, but only with respect to their duties as your managers and supervisors. Managers and supervisors who are your “employees” are also insureds for “bodily injury” to a co-“employee” while in the course of his or her employment by you or performing duties related to the conduct of your business.

This provision does not change Item 2.a.(1)(a) as it applies to managers of a limited liability company.

c. **Broadened Named Insured** – Any organization and subsidiary thereof which you control and actively manage on the effective date of this Coverage Part. However, coverage does not apply to any organization or subsidiary not named in the Declarations as Named Insured, if they are also insured under another similar policy, but for its termination or the exhaustion of its limits of insurance.

d. **Funding Source** – Any person or organization with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

e. **Home Care Providers** – At the first Named Insured's option, any person or organization under your direct supervision and control while providing for you private home respite or foster home care for the developmentally disabled.

f. **Managers, Landlords, or Lessors of Premises** – Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased or rented to you subject to the following additional exclusions:

This insurance does not apply to:

(1) Any “occurrence” which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.

g. **Lessor of Leased Equipment – Automatic Status When Required in Lease Agreement With You** – Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or

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

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

- h. Grantors of Permits** – Any state or political subdivision granting you a permit in connection with your premises subject to the following additional provision:
- (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with the premises you own, rent or control and to which this insurance applies:
    - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures;
    - (b) The construction, erection, or removal of elevators; or
    - (c) The ownership, maintenance, or use of any elevators covered by this insurance.
- i. Vendors** – Only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:
- (1) The insurance afforded the vendor does not apply to:
    - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
    - (b) Any express warranty unauthorized by you;
    - (c) Any physical or chemical change in the product made intentionally by the vendor;
    - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
    - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
    - (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
  - (i) The exceptions contained in Sub-paragraphs (d) or (f); or
  - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing.

- j. **Franchisor** – Any person or organization with respect to their liability as the grantor of a franchise to you.
- k. **As Required by Contract** – Any person or organization where required by a written contract executed prior to the occurrence of a loss. Such person or organization is an additional insured for "bodily injury," "property damage" or "personal and advertising injury" but only for liability arising out of the negligence of the named insured. The limits of insurance applicable to these additional insureds are the lesser of the policy limits or those limits specified in a contract or agreement. These limits are included within and not in addition to the limits of insurance shown in the Declarations
- l. **Owners, Lessees or Contractors** – Any person or organization, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by:
  - (1) Your acts or omissions; or
  - (2) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured when required by a contract.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

**m. State or Political Subdivisions** – Any state or political subdivision as required, subject to the following provisions:

- (1) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit, and is required by contract.
- (2) This insurance does not apply to:
  - (a) "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard."

**M. Duties in the Event of Occurrence, Claim or Suit**

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2.** is amended as follows:

a. is amended to include:

This condition applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An executive officer or insurance manager, if you are a corporation.

b. is amended to include:

This condition will not be considered breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An executive officer or insurance manager, if you are a corporation.

**N. Unintentional Failure To Disclose Hazards**

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 6. Representations** is amended to include the following:

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

**O. Transfer of Rights of Recovery Against Others To Us**

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 8. Transfer of Rights of**



**Recovery Against Others To Us** is deleted in its entirety and replaced by the following:

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

Therefore, the insured can waive the insurer's rights of recovery prior to the occurrence of a loss, provided the waiver is made in a written contract.

**P. Liberalization**

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, is amended to include the following:

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

**Q. Bodily Injury – Mental Anguish**

**SECTION V – DEFINITIONS**, Paragraph 3. Is deleted in its entirety and replaced by the following:

"Bodily injury" means:

- a. Bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
- b. Except for mental anguish, includes death resulting from the foregoing (Item a. above) at any time.

**R. Personal and Advertising Injury – Abuse of Process, Discrimination**

If **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE** is not otherwise excluded from this Coverage Part, the definition of "personal and advertising injury" is amended as follows:

1. **SECTION V – DEFINITIONS**, Paragraph 14.b. is deleted in its entirety and replaced by the following:

- b. Malicious prosecution or abuse of process;

2. **SECTION V – DEFINITIONS**, Paragraph 14. is amended by adding the following:

Discrimination based on race, color, religion, sex, age or national origin, except when:

- a. Done intentionally by or at the direction of, or with the knowledge or consent of:
  - (1) Any insured; or
  - (2) Any executive officer, director, stockholder, partner or member of the insured;
- b. Directly or indirectly related to the employment, former or prospective employment, termination of employment, or application for employment of any person or persons by an insured;

- c. Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or
- d. Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

The above does not apply to fines or penalties imposed because of discrimination.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the applicable manual premium otherwise due on such remuneration subject to a policy maximum charge for all such waivers of 5% of total manual premium.

The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

**Specific Waiver**

**Person/Organization:** City of Sacramento, its officials, employees and volunteers C/oExigis LLC.

**Job Description:** Contract #PRC001229, Contact Name : Homeless Outreach Service Program. Contract project #I02000247:Office of Community response Division:Homeless Services Division.

<b>Class</b>	<b>State</b>	<b>Payroll Subject to Waiver</b>
8834	CA	

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated. (The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Insured: \_\_\_\_\_ Endorsement No.:

Insurance Company: Cypress Insurance Company Premium \$

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