



CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

May 13, 1981

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Adoption of New Joint Powers Agreement (JPA) with the County of Sacramento Appointing the Human Rights Commission as the Human Rights/Fair Housing Commission for the City and County

SUMMARY

The Council at the regular meeting of March 10, 1981 approved the following:

1. The Human Rights Commission serve as the Fair Housing Council.
2. Instruct staff to jointly work with County staff and the Human Rights Commission to make the necessary changes in the Commission structure and bylaws to meet Federal guidelines for service as a Fair Housing Council.
3. This item will be presented to the Board of Supervisors, County of Sacramento on May 19, 1981 for their approval.

BACKGROUND INFORMATION

These documents serve to establish the program pursuant to Council directions. Funding for the Fair Housing function is \$80,000 per year (\$40,000 from the City and \$40,000 from the County) from Community Development Block Grant funds. This contract is for 13.5 months and \$90,000. The program will be formally evaluated in the Spring of 1982 with a progress report to the Council on its operational success at that time. One item which the Council should be aware of is the new JPA gives the Commission the choice of receiving compensation or not receiving compensation.

APPROVED
BY THE CITY COUNCIL

RECOMMENDATION

MAY 19 1981

It is recommended that the City Council approve the following;

OFFICE OF THE
CITY CLERK

1. Adopt the attached resolution authorizing the execution of the attached Joint Exercise of Powers Agreement with the County of Sacramento establishing the Human Rights/Fair Housing Commission.

A9B: AG 80219

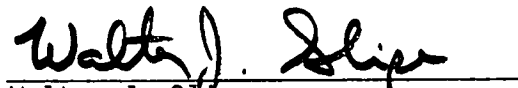
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2. Adopt the attached resolution authorizing the execution of an agreement with the Human Rights/Fair Housing Commission for provision of fair housing services.
3. Release the \$40,000 of CDBG funds allocated for the Fair Housing Council operations.

Respectfully submitted,


John L. Whitehead
Associate Management Analyst

Recommendation Approved:


Walter J. Stipe
City Manager

The complete addendum to the agreements is on file with the City Clerk

APPROVED
BY THE CITY COUNCIL

MAY 19 1981

OFFICE OF THE
CITY CLERK

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RESOLUTION NO. 81-358

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

May 19, 1981

RESOLUTION AUTHORIZING THE FORMATION OF THE JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO DATED MAY, 1981 FOR THE CREATION AND ADMINISTRATION OF THE HUMAN RIGHTS/FAIR HOUSING COMMISSION OF THE CITY AND COUNTY OF SACRAMENTO

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the Mayor or Vice Mayor and the City Clerk are hereby authorized to execute on behalf of the City of Sacramento agreements with the agency listed below:

Human Rights/Fair Housing Commission
of the City and County of Sacramento

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

MAY 19 1981

OFFICE OF THE
CITY CLERK

#32

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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the Mayor or Vice Mayor and the City Clerk are hereby authorized to execute on behalf of the City of Sacramento agreements with the agency listed below:

County of Sacramento

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

MAY 19 1981

OFFICE OF THE
CITY CLERK

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JOINT EXERCISE OF POWERS AGREEMENT
CITY OF SACRAMENTO - COUNTY OF SACRAMENTO
THE HUMAN RIGHTS/FAIR HOUSING COMMISSION
OF THE
CITY AND COUNTY OF SACRAMENTO

This Agreement dated for convenience as of _____ is between the CITY OF SACRAMENTO, a municipal corporation, duly authorized and existing under the laws of the State of California, hereinafter called the "City", and the COUNTY OF SACRAMENTO, a subdivision of the State of California, hereinafter called the "County";

WHEREAS, the City and County are each authorized to foster better intergroup relations by studying, developing, and administering human rights and fair housing programs aimed at the elimination of prejudice, intolerance, discrimination against any person or group because of their race, color, religion, national origin, or sex; and to promote equal opportunity in employment, housing, and education;

WHEREAS, the City and County are of the opinion that there should be established within the City and County a Human Rights/Fair Housing Commission for the foregoing purposes; and

WHEREAS, said Commission will serve and be a benefit to the inhabitants of the City and County;

NOW, THEREFORE, it is agreed as follows:

SECTION 1. Purpose.

This Agreement is made pursuant to the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code of the State of California (commencing with Section 6500, hereinafter called the "Act") relating to the Joint Exercise of Powers common to the City and the County. The City and the County each possess the



powers referred to in Section 4 hereof. The purpose of this Agreement is to exercise such powers by and through a Human Rights/Fair Housing Commission. Such purpose will be accomplished, and said common powers exercised, in the manner hereinafter set forth and proportionate to the funding available for each function.

SECTION 2. Term.

This Agreement shall become effective as the date hereof and shall continue in full force and effect until terminated in writing pursuant to resolution by the governing body of either of the parties hereto as provided in Section 8.

SECTION 3. Commission.

A. Creation of Commission.

Pursuant to Section 6506 of the Act, there is hereby created a public entity separate from the parties hereto, to be known as "The Human Rights/Fair Housing Commission of the City and County of Sacramento" (hereinafter called the "Commission") and said Commission shall be a public entity separate and apart from the City and County. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any party to the Agreement.

B. Governing Board.

Subject to the Memorandum of Understanding attached hereto and made a part hereof, the Commission shall be administered by a governing board of fifteen (15) members, each serving in his or her individual capacity as commissioner of the governing board. Seven (7) members of the Commission are to be appointed by the City Council for two-year terms. Any member so appointed may be removed during the member's term by the Council for cause. Seven (7) members are to be appointed for two-year terms by the Board of Supervisors which may, during the member's term, remove any member appointed by it for cause. Five (5) of the seven (7) members appointed by the Council and five (5) of the seven (7) members appointed by the Board shall be appointed for their concerns regarding human rights, fair housing, intergroup harmony, and civic

peace. Two (2) of the seven (7) members appointed by the Council and two (2) of the seven (7) members appointed by the Board shall be representatives from the following groups: Landlords, Lending Community, and Real Estate Industry. One (1) youth member will be appointed by the Commission itself for a one-year term. The youth member may be removed during the member's term by the non-youth Commission members for cause. The Council shall fill any vacancy occurring among the members which it appoints, and the Board shall fill any vacancy occurring among the members which it appoints, and the Commission shall fill any vacancy occurring in the position for which it appoints. Commissioners may elect individually or jointly to be compensated for attending regular Commission meetings. Compensation shall be established by the Commission and shall be on a per-meeting-attended basis. In no case shall the per-meeting compensation exceed \$30.00 per meeting, nor shall total compensation in any one month exceed \$60.00.

C. Meetings of the Governing Board.

(1) Regular Meetings.

The Commission shall provide for its regular, adjourned regular, and special meetings. The dates upon which, and the hour and the place at which, any such meetings shall be held shall be fixed by resolution and a copy of such resolution shall be filed with each party hereto.

~~(2)~~ Ralph M. Brown Act.

All meetings of the Commission, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code).

(3) Minutes.

The Secretary of the Commission shall cause to be kept minutes of the meetings, both regular, adjourned regular, and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each

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member of the Commission and to the City and to the County.

(4) Quorum.

A majority of the Commission shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.

SECTION 4. Powers.

The Commission shall have the following powers:

- (a) Engage in research and education for the purpose of lessening racial, religious, and sexual prejudices, and fostering attitudes among the various groups within the City and County of Sacramento which lead to civic peace and intergroup understanding;
- (b) Engage in research and education for the purpose of minimizing housing discrimination within the City and County of Sacramento;
- (c) Develop and administer programs and plans designed to promote the full acceptance of all citizens in the community in all aspects of community life;
- (d) Develop and administer programs and plans designed to promote equal housing opportunities for all citizens in the community;
- (e) Cooperate with and assist in coordinating on a City and County-wide basis the work of those community agencies engaged in fostering mutual understanding and respect among all men and women;
- (f) Cooperate with and assist in coordinating on a City and County-wide basis the work of those community agencies engaged in fostering equal housing opportunities, or in attempting to discourage discriminatory housing;
- (g) Cooperate with any City or County department in identifying and ameliorating human relations and housing problems with which they may be concerned;
- (h) Inquire into incidents of discrimination and incidents of tension and

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- conflict among or between various groups within the City and County of Sacramento and to take action by means of conciliation, conference, persuasion, and public hearings to alleviate such tensions and conflicts;
- (i) Inquire into incidents of housing discrimination and take action by means of conciliation, conference, persuasion, and public hearings to alleviate such practices;
 - (j) Advise and make recommendations to the City and County on activities within the community which promote intergroup harmony or disparage discrimination in housing, employment, and education;
 - (k) Exercise the powers set forth in Article 10, Chapter 1, Part 1, Division 1 of Title 5 of the Government Code, including the hiring of employees as provided in Section 50263;
 - (l) Review and monitor compliance with nondiscriminatory and affirmative action hiring programs of the City and County.

Said powers set forth in this Section shall be exercised in the manner provided in said Joint Powers Act, and except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the County of Sacramento in the exercise of similar powers by any applicable statute of the State of California or the Charter of the County of Sacramento.

SECTION 5. Miscellaneous.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

To preserve a reasonable degree of flexibility, many parts of this Agreement are stated in general terms. It is understood that there will be operating memoranda executed and amended from time to time which will further define the rights and obligations of the parties.

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SECTION 6. Severability.

Should any part, term, or provision of this Agreement be by the courts decided to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions of provisions shall not be affected thereby.

SECTION 7. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors to the parties.

SECTION 8. Termination.

Either party to this Agreement may terminate this Agreement by giving written notice to the other governing body. The termination shall be effective ninety (90) days following receipt of the notice of termination.

Upon termination, the public entity created by this Agreement shall cease to exist, and property acquired as a result of the joint exercise of powers shall be equally divided between the City and County. Any surplus money on hand shall be returned to the City and County in proportion to the contributions made.

SECTION 9. Former Agreement.

This agreement replaces in its entirety that certain Joint Exercise of Powers Agreement, City of Sacramento-County of Sacramento, The Human Rights Commission of the City and County of Sacramento, dated May 5, 1975, by and between the said City and County.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officials thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first written above.

CITY OF SACRAMENTO

(SEAL)

ATTEST: _____
Clerk

BY _____

COUNTY OF SACRAMENTO

(SEAL)

ATTEST: _____
Clerk

BY _____

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MEMORANDUM OF UNDERSTANDING REGARDING
THE JOINT EXERCISE OF POWERS AGREE-
MENT BETWEEN THE CITY AND COUNTY OF
SACRAMENTO ESTABLISHING THE HUMAN
RIGHTS/FAIR HOUSING COMMISSION OF THE
CITY AND COUNTY OF SACRAMENTO

It is hereby agreed that Section 3, Subsection B of the above-mentioned Joint Powers Agreement will be interpreted as follows:

The governing body of the Human Rights/Fair Housing Commission shall be governed by a board of seventeen (17) members, each serving in his or her individual capacity as a Commissioner of the governing board, until such time that the number of non-mandated Commissioners has been reduced by two (2) due to attrition or failure to be reappointed.

A nonmandated Commissioner is one that is not mandated by the U.S. Department of Housing and Urban Development in their "New Horizons Fair Housing Assistance Project".

The intent of this memorandum is to allow current Commissioners of the Human Rights Commission the opportunity of continuing their Commission duties without concern over being displaced.

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AGREEMENT TO PROVIDE
COMMUNITY DEVELOPMENT SERVICES

This Agreement made and entered into this _____ day of _____, 1981, by and between the COUNTY OF SACRAMENTO and the CITY OF SACRAMENTO, political subdivisions of the State of California, collectively referred to hereinafter as CONTRACTOR, and the HUMAN RIGHTS/FAIR HOUSING COMMISSION OF THE CITY AND COUNTY OF SACRAMENTO, a Joint Powers Authority, hereinafter referred to as SUBGRANTEE;

R E C I T A L S :

WHEREAS, pursuant to the provision of Government Code Section 53703, the Board of Supervisors of the County of Sacramento and the City Council of the City of Sacramento desire to allocate funds derived from the Housing and Community Development Act of 1974 to SUBGRANTEE for the purpose of community improvement and welfare; and

WHEREAS, said Section 53703 of the Government Code authorizes CONTRACTOR to enter into this agreement; and

WHEREAS, the Board of Supervisors and the City Council are desirous of providing certain community services for the City and County of Sacramento; and

WHEREAS, SUBGRANTEE has the organization, facilities, and personnel to carry out said services in accordance with the purposes of this agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. TERM: This agreement shall be for the period commencing on the date this agreement is executed and ending upon completion of activities described in EXHIBIT A or on June 30, 1982, whichever is sooner.
2. TERMINATION:
 - a) In the event that CONTRACTOR receives communication from the Federal Government that funds available to CONTRACTOR under the Housing and Community Development Act of 1974 are to be reduced or withdrawn by the Federal Government, CONTRACTOR may at its option terminate this agreement immediately;

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b) Either party shall have the right to terminate this agreement upon fifteen (15) days written notice thereof being served on the other party.

3. USE OF FUNDS:

- a) SUBGRANTEE shall use all funds provided pursuant to this agreement exclusively for the purpose of implementing its approved activity, a copy of which is attached hereto marked "EXHIBIT A" and made a part hereof;
- b) No funds paid by CONTRACTOR hereunder shall be used directly or indirectly by SUBGRANTEE for any political activity whatever;
- c) SUBGRANTEE shall use monies received pursuant to this agreement in conformity with the applicable provisions of Volume 24 Code of Federal Regulations, Part 570, issued by the Department of Housing and Urban Development of the United States;
- d) Program income shall be used in the program operation, and financial records shall document the receipt and expenditure of such funds.
- e) All funds paid by CONTRACTOR hereunder must be deposited in a non-interest bearing account with a minimum time elapsing between the transfer of funds from CONTRACTOR and disbursement by SUBGRANTEE.
- f) SUBGRANTEE shall comply with the regulations, policies, guidelines and requirements of Federal Management Circular 74-4 as they relate to the application, acceptance, and use of Federal funds.

4. PAYMENT:

- a) CONTRACTOR shall pay to SUBGRANTEE as consideration for the services to be performed under this agreement the sum of \$90,000.00 lawful money of the United States at the times and in the manner following: Said funds shall be paid in monthly increments during the performance of this agreement. SUBGRANTEE shall file with CONTRACTOR monthly statements of actual expenditures and proposed expenditures; CONTRACTOR shall verify accuracy of such statements and pay for the work performed as rapidly as possible.

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b) SUBGRANTEE shall notify CONTRACTOR in writing of all authorized personnel who shall be empowered to file requests for payment pursuant to this agreement. Said authorized personnel shall certify that, to the best of their knowledge, such requests for payment are true and accurate.

5. CONFLICT OF INTEREST: No member, officer, or employee of SUBGRANTEE, or its designees or agents, who exercises any functions or responsibility with respect to the program during his tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this agreement. The SUBGRANTEE shall incorporate, or cause to be incorporated, in all subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

6. ELIGIBILITY:

- a) The persons eligible to be served by SUBGRANTEE shall be as set forth in "EXHIBIT A";
- b) SUBGRANTEE shall not employ discriminatory practices in the providing of services, employment of personnel, or in any other respect on the basis of race, color, religion, sex, national origin, ancestry, or physical or mental handicap, as more specifically set out in Section 570.601 of the aforesaid Regulations of the Department of Housing and Urban Development, copy of said regulations is attached hereto marked "EXHIBIT B" and made a part hereof. During the performance of this contract, SUBGRANTEE agrees as follows:

- (1) The SUBGRANTEE will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, or physical or mental handicap. SUBGRANTEE shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, ancestry, or physical or mental handicap.

Such action shall include, but not be limited to, the following: # 32

Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SUBGRANTEE agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

- (2) SUBGRANTEE will, in all solicitations or advertisements for employees placed by or on behalf of SUBGRANTEE, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, or physical or mental handicap.
- (3) SUBGRANTEE will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contract Compliance Officer advising the said labor union or workers representatives of SUBGRANTEE'S commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) SUBGRANTEE shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) SUBGRANTEE will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

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- (6) In the event of SUBGRANTEE'S noncompliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this agreement may be canceled, terminated or suspended in whole or in part and SUBGRANTEE may be declared ineligible for further Government contracts or federally assisted construction contract procedures authorized in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) SUBGRANTEE will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. SUBGRANTEE will take such actions with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event SUBGRANTEE becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department, SUBGRANTEE may request the United States to enter into such litigation to protect the interest of the United States.
- c) SUBGRANTEE further agrees that it will refrain from entering into any subcontract subject to Executive Order 11246 of September 24, 1965, with a subcontractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Department of the Secretary of Labor

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pursuant to Part II, Subpart D of the executive order. In addition, SUBGRANTEE agrees that if it fails or refuses to comply with these undertakings, the CONTRACTOR may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part the grant; refrain from extending any further assistance to the SUBGRANTEE under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such SUBGRANTEE; and refer the case to the Department of Justice for appropriate legal proceedings.

7. FEDERAL LABOR STANDARDS: Except with respect to the rehabilitation of residential property designed for residential use for less than eight families, SUBGRANTEE and all subcontractors engaged under contracts in excess of \$2,000 for the construction, prosecution, completion or repair of any building or work financed in whole or in part with assistance provided under this Agreement, agrees to comply with HUD requirements pertaining to such contracts and the applicable requirements of the regulations of the Department of Labor under 29 CFR Parts 3, 5, and 5a, governing the payment of wages and the ratio of apprentices and trainees to journeymen: Provided, that if wage rates higher than those required under such regulations are imposed by state or local law, nothing hereunder is intended to relieve SUBGRANTEE of its obligation, if any, to require payment of the higher rates. A copy of the Federal Labor Standards Provision is attached hereto marked "EXHIBIT C" and made a part hereof. SUBGRANTEE shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of the Federal Labor Standards Provision including the regulation set forth in "EXHIBIT C". No award of the contracts covered under this section of the Agreement shall be made to any contractor who is at the time ineligible under the provisions of any applicable regulations of the Department of Labor to receive an award of such contract.

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8. SECTION 3 CLAUSE: This Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), as amended, the HUD regulations issued pursuant thereto at 24 CFR, Part 135, and any applicable rules and orders of HUD issued thereunder prior to the HUD authorization of the Funding Approval. SUBGRANTEE shall cause or require to be inserted in full in all subcontracts for work financed in whole or in part with assistance provided under this Agreement, the Section 3 clause set forth in "EXHIBIT D".
9. FLOOD DISASTER PROTECTION: This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Pro-

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tection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

10. COMPLIANCE WITH AIR AND WATER ACTS: This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time.

In compliance with said regulations, SUBGRANTEE shall cause or require to be inserted in full in all contracts and subcontracts with respect to any non-exempt transaction thereunder funded with assistance provided under this Agreement, the following requirements:

- a) A stipulation by the contractor or subcontractors that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.
- b) Agreement by the contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- c) A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities.

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d) Agreement by the contractor that he will include or cause to be included the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the contractor will take such action as the Government may direct as a means of enforcing such provisions.

In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility which has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

11. CIVIL RIGHTS COVENANT: This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations with respect thereto including the regulations under 24 CFR Part 1. In the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, SUBGRANTEE shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination upon the basis of race, color, religion, sex, or national origin, in the sale, lease or rental, or in the use or occupancy of such land or any improvements erected or to be erected thereon, and providing that the CONTRACTOR and the United States are beneficiaries of and entitled to enforce such covenant. SUBGRANTEE, in undertaking its obligation in carrying out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.

12. LEAD-BASED PAINT: Any work performed or grants or loans made by SUBGRANTEE for the rehabilitation of residential structures with assistance provided under this Agreement shall be made subject to the provisions for the elimination of lead-based paint hazards under 24 CFR Part 35, Subpart B. SUB-

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GRANTEE shall be responsible for the inspections and certifications required under Section 35.14(f) thereof.

13. ARCHITECTURAL BARRIERS ACT: SUBGRANTEE shall comply with the Architectural Barriers Act of 1968, 42 USCA 4151, which Act requires that the design of any facility, except a private residence, constructed, renovated, remodeled or rehabilitated with funds received pursuant to this Agreement shall comply with the "American Standard Specification for Making Buildings and Facilities Accessible, and Usable by, the Physically Handicapped," Number A-117.1R-1971, subject to the exceptions contained in 41 CFR 101-19.604. CONTRACTOR will be responsible for conducting inspections to insure compliance with these specifications by SUBGRANTEE.

14. MONITORING:

- a) CONTRACTOR'S monitoring agency shall be the County Admin. and Finance Agency which shall monitor the program adequacy of SUBGRANTEE in the manner which said agency deems most effective. SUBGRANTEE shall cooperate with said agency in such monitoring;
- b) SUBGRANTEE shall prepare and submit to said monitoring agency reports in the form and manner prescribed by said agency;
- c) Such reports shall be subject to audit by the County Auditor-Controller.

15. RECORDS:

- a) SUBGRANTEE shall keep all necessary books and records, including property, personnel and financial records, in connection with the operation and services performed under this agreement, in accordance with provisions of OMB Circular No. A-102 Attachment G (as amended), a copy of which is attached and made a part hereof as "EXHIBIT E" and shall document all transactions so County Auditor-Controller may properly audit all expenditures made pursuant to this Agreement. SUBGRANTEE shall maintain and preserve all records related to this Agreement in

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its possession for a period of six (6) years from the effective date of this Agreement, unless otherwise directed by CONTRACTOR. All books, records and accounts kept by SUBGRANTEE in connection with the performance of this Agreement shall be made available to CONTRACTOR personnel upon request.

b) Required performance records shall be filed monthly with CONTRACTOR on the form attached hereto as "EXHIBIT F".

16. INDEMNIFICATION AND INSURANCE:

a) SUBGRANTEE shall indemnify, defend and hold harmless CONTRACTOR, its officers, agents and employees from and against any and all claims, losses, liabilities or damages, including attorneys fees arising out of or resulting from the performance of this Agreement, caused in whole or in part by any negligent act or omission of SUBGRANTEE or anyone directly or indirectly employed by SUBGRANTEE, regardless of whether or not it is caused in part by a party indemnified hereunder. Without limiting SUBGRANTEE'S indemnification, SUBGRANTEE shall maintain in force at all times during the performance of this Agreement a policy or policies of insurance covering its operations. Certificates evidencing the maintenance of SUBGRANTEE'S insurance coverage shall be filed with CONTRACTOR on or before the effective date of this Agreement, and said agency shall be given notice in writing at least thirty (30) days in advance of cancellation or modification of any policy. The following policies of insurance shall be procured by SUBGRANTEE:

(1) General Liability: Such policy shall include, but is not limited to contractual liability, public liability and property damage coverage. This policy's single limit liability amount shall not be less than Three-Hundred Thousand Dollars (\$300,000);

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(2) Automobile: If motor vehicles are used in performing services hereunder, automobile insurance coverage must be obtained with not less than Three-Hundred Thousand Dollars (\$300,000) single limit liability;

(3) Workmen's Compensation: Such policy must cover all SUBGRANTEE'S employees. Limits of liability for employer's liability shall be at least One Hundred Thousand Dollars (\$100,000);

(4) Fidelity Bond: Any officers, employees and agents of SUBGRANTEE handling or having access to funds or authorization to sign or countersign checks shall be covered by a blanket fidelity bond in the amount of Ten Thousand Dollars (\$10,000) issued by a corporate surety authorized to do business in the State of California. Said bond shall not be canceled or modified except upon thirty (30) days written notice to CONTRACTOR.

b) If grant requires bidding of contracting or subcontracting for construction or facility improvements, the following bonds shall be procured by SUBGRANTEE:

(1) Bid Guaranty: The bid must be accompanied by a bidder's bond, certified check, or cashier's check in an amount not less than ten percent (10%) of the amount bid. The bidder's bond must be executed in favor of CONTRACTOR, and the certified check or cashier's check must be made payable to the Treasurer of the County of Sacramento. CONTRACTOR shall be authorized to forfeit to CONTRACTOR such sums from said bond or certified check or cashier's check as necessary to reimburse CONTRACTOR for costs incurred for failure of the successful bidder to enter into a contract. The amount of said bond or certified check or cashier's check shall not be deemed to constitute a penalty or liquidated damages. CONTRACTOR shall not be precluded by such bond or certified check or cashier's check, from recovering from the defaulting bidder, damages in excess of the amount of said bond or certified check or cashier's check incurred as

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a result of the failure of the successful bidder to enter into a contract.

(2) Contract Bonds: As a part of the execution of the contract, SUBGRANTEE shall furnish corporate surety bonds to the benefit of CONTRACTOR, of a surety company acceptable to CONTRACTOR and authorized to do business in the State of California, as follows:

A. Faithful Performance Bond - In a sum not less than one hundred percent (100%) of the total contract price as set forth in the Agreement, to guarantee the faithful performance of all covenants and stipulations of the contract. The bond shall contain a provision that the surety thereon waives the provisions of Section 2819 of the Civil Code of the State of California;

B. Payment Bond - In a sum not less than one hundred percent (100%) of the total contract price as set forth in the Agreement to guarantee the payment of wages and of bills contracted for materials, supplies, or equipment used in the performance of the contract. The bond shall be in accordance with the provisions of Sections 3225 to 3228, inclusive, and Sections 3247 to 3252, inclusive, of the Civil Code of the State of California, and any acts amendatory thereof, and shall, by its terms, inure to the benefit of all persons, companies, or corporations entitled to file claims under Section 3181 of the Civil Code of the State of California. Said bond shall also contain a provision that the surety thereon waives the provisions of Section 2819 of the Civil Code of the State of California. Section 18806 of the State of California Revenue and Taxation Code shall also be applicable.

C. Nothing in this Agreement shall be deemed to conflict with Insurance Requirements of Section I Section 11.04.60 of the Sacramento County Codes, Airports, or Standard Construction Specifications.

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17. RELOCATION: This Agreement is subject to the requirements of Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and Section 570.602(a). SUBGRANTEE shall not undertake any of the work contemplated under this Agreement if relocation is involved without first obtaining written approval from CONTRACTOR. SUBGRANTEE shall inform affected persons of the relocation assistance, policies and procedures set forth in the regulations at 24 CFR Part 42 and Section 570.602(a).
 18. SUBCONTRACTS: SUBGRANTEE shall not enter into subcontracts for any of the work contemplated under this agreement without first obtaining written approval from CONTRACTOR. SUBGRANTEE must follow the procedures as set forth in "EXHIBIT G" for all projects which involve construction or retention of engineering and/or architectural consultants.
 19. ASSIGNMENT: Without written consent of CONTRACTOR this Agreement is not assignable by SUBGRANTEE, either in whole or in part.
 20. ALTERATION: No alteration or variation in the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.
 21. WAIVER: CONTRACTOR'S waiver of any default, breach, or condition precedent shall not be constructed as a waiver on the part of CONTRACTOR of any other default, breach, or condition precedent, or any other right hereunder.
 22. PROPERTY OWNERSHIP AND PROCUREMENT:
 - a) At the expiration of this Agreement or in the event this Agreement is not fully performed to the satisfaction of CONTRACTOR, any and all nonexpendable furnishings, equipment or other personal property having a useful life of more than one (1) year and a purchase price of \$300 or more purchased pursuant to this Agreement and not consumed in the performance of this Agreement shall become the property of CONTRACTOR. Such property shall be delivered to CONTRACTOR upon written notification by CONTRACTOR to SUBGRANTEE;
 - b) Real property acquired by SUBGRANTEE from funds made available by this Agreement shall be used solely for the purposes set forth in this Agreement. Should SUBGRANTEE or its successors at any time abandon the use of said

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property or fail at any time to use the same for the purposes herein required, CONTRACTOR shall have the right to take possession of said property and all right, title and interest of SUBGRANTEE in and to said property shall cease and terminate. SUBGRANTEE shall on demand execute and deliver to CONTRACTOR a deed to said property. No real property shall be acquired by deed or lease without prior approval of CONTRACTOR.

- c) Property acquired in whole or in part with funds provided pursuant to this Agreement shall be managed in accordance with the provisions of OMB A-102 Appendices N and O (as amended) and amendments to become effective thereto during the term of this Agreement, a copy of which is attached and made a part hereof as "EXHIBIT H";
- d) Real property shall be acquired in accordance with Title III, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (at 24 CFR Part 42).

- 23. OTHER REQUIREMENTS: SUBGRANTEE shall comply with applicable County, City, State of California, or other governmental agency regulations and requirements including but not limited to issuance of building permits, use permits, variances, and Air Pollution Control District permits.
- 24. QUALITY OF WORKMANSHIP: All construction and rehabilitation work performed under this Agreement is subject to CONTRACTOR Building Codes and must pass CONTRACTOR inspection.
- 25. STATUS OF SUBGRANTEE: SUBGRANTEE and the agents and employees of SUBGRANTEE in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of CONTRACTOR.
- 26. SUCCESSORS: This Agreement shall bind and inure to the successors in interest of CONTRACTOR and SUBGRANTEE in the same manner as if such party had been expressly named herein.
- 27. TIME: Time is of the essence of this Agreement.

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28. NOTICE: All notices and communications between the parties shall be addressed as follows:

NOTICE TO CONTRACTOR: Sacramento County
Community Development Block Grant
700 - H Street, Suite 7650
Sacramento, California 95814

City of Sacramento
City Manager's Office
915 "I" Street, Room 109
Sacramento, California 95814

NOTICE TO SUBGRANTEE: Human Rights/Fair Housing Commission of the
City and County of Sacramento
1401 - 21st Street, Suite 203
Sacramento, California 95814

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

CITY OF SACRAMENTO, a municipal corporation, duly authorized and existing under the laws of the State of California

COUNTY OF SACRAMENTO, a political subdivision of the State of California

BY _____
Mayor, City of Sacramento

BY _____
Chairperson, Board of Supervisors

- C O N T R A C T O R -

HUMAN RIGHTS/FAIR HOUSING COMMISSION
OF THE CITY AND COUNTY OF SACRAMENTO

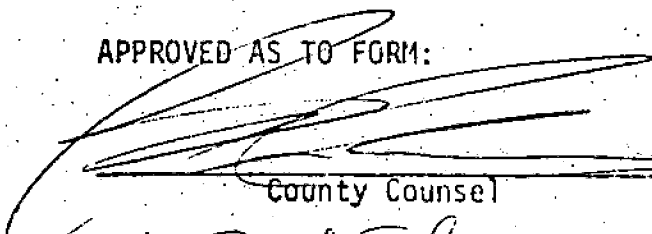
BY _____
Title:


- SUBGRANTEE -

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

APPROVED AS TO FORM:



County Counsel


City Attorney

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§ 570.601 Nondiscrimination.

(a) *Discrimination prohibited.* Section 109 of the Housing and Community Development Act of 1974 requires that no person in the United States shall on the ground of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to this Part. For purposes of this section "program or activity" is defined as any function conducted by an identifiable administrative unit of the recipient, or by any unit of government or private contractor receiving community development funds or loans from the recipient. "Funded in whole or in part with community development funds" means that community development funds in any amount in the form of grants or proceeds from HUD guaranteed loans have been transferred by the recipient to an identifiable administrative unit and disbursed in a program or activity.

(b) *Specific discriminatory actions prohibited and corrective actions.* (1) A recipient may not, under any program or activity to which the regulations of this part may apply, directly or through contractual or other arrangements, on the ground of race, color, national origin, or sex:

(i) Deny any facilities, services, financial aid or other benefits provided under the program or activity.

(ii) Provide any facilities, services, financial aid or other benefits which are different, or are provided in a different form from that provided to others under the program or activity.

(iii) Subject to segregated or separate treatment in any facility in, or in any matter or process related to receipt of any service or benefit under the program or activity.

(iv) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.

(v) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any facilities, services or other benefit provided under the program or activity.

(vi) Deny an opportunity to participate in a program or activity as an employee.

(2) A recipient may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the basis of race, color, national origin, or sex, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular race, color, national origin, or sex.

(3) A recipient, in determining the site or location of housing or facilities provided in whole or in part with funds under this part, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, national origin, or sex; or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Act and of this section.

(4) (i) In administering a program or activity funded in whole or in part with community development block grant funds regarding which the recipient has previously discriminated against persons on the ground of race, color, national origin or sex, the recipient must take affirmative action to overcome the effects of prior discrimination.

(ii) Even in the absence of such prior discrimination, a recipient in administering a program or activity funded in whole or in part with community development block grant funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin or sex. Where previous discriminatory practice or usage tends, on the ground of race, color, national origin or sex, to exclude individuals from participation in, to deny them the benefits of, or to

subject them to discrimination under any program or activity to which this part applies, the recipient has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Act.

(iii) A recipient shall not be prohibited by this part from taking any action eligible under Subpart C to ameliorate an imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction, where the purpose of such action is to overcome prior discriminatory practice or usage.

(5) Notwithstanding anything to the contrary in this section, nothing contained herein shall be construed to prohibit any recipient from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

FEDERAL LABOR STANDARDS PROVISIONS

1. APPLICABILITY

The Project or Program to which the work covered by this Contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

2. MINIMUM WAGE RATES FOR LABORERS AND MECHANICS

All laborers and mechanics employed upon the work covered by this Contract shall be paid unconditionally and not less often than once each week, and without subsequent deduction or rebate on any account (except such payroll deductions as are made mandatory by law and such other payroll deductions as are permitted by the applicable regulations issued by the Secretary of Labor, United States Department of Labor, pursuant to the Anti-Kickback Act hereinafter identified), the full amount due at time of payment computed at wage rates not less than those contained in the wage determination decision of said Secretary of Labor (a copy of which is attached and herein incorporated by reference), regardless of any contractual relationship which may be alleged to exist between the Contractor or any subcontractor and such laborers and mechanics. All laborers and mechanics employed upon such work shall be paid in cash, except that payment may be by check if the employer provides or secures satisfactory facilities approved by the Local Public Agency or Public Body for the cashing of the same without cost or expense to the employee. For the purpose of this clause, contributions made or costs reasonably anticipated under Section 1 (b) (2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of Section 5.5(a)(1)(iv) of Title 29, Code of Federal Regulations. Also for the purpose of this clause, regular contributions made or costs incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

3. UNDERPAYMENTS OF WAGES OR SALARIES

In case of underpayment of wages by the Contractor or by any subcontractor to laborers or mechanics employed by the Contractor or subcontractor upon the work covered by this Contract, the Local Public Agency or Public Body in addition to such other rights as may be afforded it under this Contract shall withhold from the Contractor, out of any payments due the Contractor, so much thereof as the Local Public

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Agency or Public Body may consider necessary to pay such laborers or mechanics the full amount of wages required by this Contract. The amount so withheld may be disbursed by the Local Public Agency or Public Body, for and on account of the Contractor or the subcontractor (as may be appropriate), to the respective laborers or mechanics to whom the same is due or on their behalf to plans, funds, or programs for any type of fringe benefit prescribed in the applicable wage determination.

4. ANTICIPATED COSTS OF FRINGE BENEFITS

If the Contractor does not make payments to a trustee or other third person, he may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing fringe benefits under a plan or program of a type expressly listed in the wage determination decision of the Secretary of Labor which is a part of this Contract: Provided, however, the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. A copy of any findings made by the Secretary of Labor in respect to fringe benefits being provided by the Contractor must be submitted to the Local Public Agency or Public Body with the first payroll filed by the Contractor subsequent to receipt of the findings.

5. OVERTIME COMPENSATION REQUIRED BY CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (76 Stat. 357-360: Title 40 U.S.C., Sections 327-332)

(a) Overtime requirements. No Contractor or subcontractor contracting for any part of the Contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of 8 hours in any calendar day or in excess of 40 hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of 8 hours in any calendar day or in excess of 40 hours in such work week, as the case may be.

(b) Violation: liability for unpaid wages liquidated damages. In the event of any violation of the clause set forth in paragraph (a), the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violations of the clause set forth in paragraph (a), in the sum of \$10 for each calendar day on which such employee was required or permitted to work

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in excess of 8 hours or in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in paragraph (a).

(c) Withholding for liquidated damages. The Local Public Agency or Public Body shall withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for liquidated damages as provided in the clause set forth in paragraph (b).

(d) Subcontracts. The Contractor shall insert in any subcontracts the clauses set forth in paragraphs (a), (b), and (c) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts which they may enter into, together with a clause requiring this insertion in any further subcontracts that may in turn be made.

6. EMPLOYMENT OF APPRENTICES/TRAINEEES

- a. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Manpower Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen in any craft classification shall not be greater than the ratio permitted to the contractor as to his entire work force under the registered program. Any employee listed on a payroll at an apprentice wage rate, who is not a trainee as defined in subdivision (b) of this subparagraph or is not registered or otherwise employed as stated above, shall be paid the wage rate determined by the Secretary of Labor for the classification of work he actually performed. The contractor or subcontractor will be required to

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furnish to the contracting officer or a representative of the Wage-Hour Division of the U. S. Department of Labor written evidence of the registration of his program and apprentices as well as the appropriate ratios and wage rates (expressed in percentages of the journeyman hourly rates), for the area of construction prior to using any apprentices on the contract work. The wage rate paid apprentices shall be not less than the appropriate percentage of the journeyman's rate contained in the applicable wage determination.

- b. Trainees. Except as provided in 29 CFR 5.15 trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification, by the U. S. Department of Labor, Manpower Administration, Bureau of Apprenticeship and Training. The ratio of trainees to journeymen shall not be greater than permitted under the plan approved by the Bureau of Apprenticeship and Training. Every trainee must be paid at not less than the rate specified in the approved program for his level of progress. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Bureau of Apprenticeship and Training shall be paid not less than the wage rate determined by the Secretary of Labor for the classification of work he actually performed. The contractor or subcontractor will be required to furnish the contracting officer or a representative of the Wage-Hour Division of the U. S. Department of Labor written evidence of the certification of his program, the registration of the trainees, and the ratios and wage rates prescribed in that program. In the event the Bureau of Apprenticeship and Training withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- c. Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

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7. EMPLOYMENT OF CERTAIN PERSONS PROHIBITED

No person under the age of sixteen years and no person who, at the time, is serving sentence in a penal or correctional institution shall be employed on the work covered by this Contract.

8. REGULATIONS PURSUANT TO SO-CALLED "ANTI-KICKBACK ACT"

The Contractor shall comply with the applicable regulations (a copy of which is attached and herein incorporated by reference) of the Secretary of Labor, United States Department of Labor, made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948: 62 Stat. 862; Title U.S.C., Section 874; and Title 40 U.S.C., Section 276c), and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and shall be responsible for the submission of affidavits required by subcontractors thereunder, except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.

9. EMPLOYMENT OF LABORERS OR MECHANICS NOT LISTED IN AFORESAID WAGE DETERMINATION DECISION

Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the Contract will be classified or reclassified conformably to the wage determination by the Local Public Agency or Public Body, and a report of the action taken shall be submitted by the Local Public Agency or Public Body, through the Secretary of Housing and Urban Development, to the Secretary of Labor, United States Department of Labor. In the event the interested parties cannot agree on the proper classification or reclassification of a particular class of laborers and mechanics to be used, the question accompanied by the recommendation of the Local Public Agency or Public Body shall be referred, through the Secretary of Housing and Urban Development, to the Secretary of Labor for final determination.

10. FRINGE BENEFITS NOT EXPRESSED AS HOURLY WAGE RATES

The Local Public Agency or Public Body shall require, whenever the minimum wage rate prescribed in the Contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly wage rate and the Contractor is obligated to pay cash equivalent of such a fringe benefit, an hourly cash equivalent thereof to be established. In the event the interested parties cannot agree upon a cash equivalent of the fringe benefit, the question, accompanied by the recommendation of the Local Public Agency or Public Body, shall be referred, through the Secretary of Housing and Urban Development, to the Secretary of Labor for determination.

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11. POSTING WAGE DETERMINATION DECISIONS AND AUTHORIZED WAGE DEDUCTIONS

The applicable wage poster of the Secretary of Labor, United States Department of Labor, and the applicable wage determination decisions of said Secretary of Labor with respect to the various classification of laborers and mechanics employed and to be employed upon the work covered by this Contract, and a statement showing all deductions, if any, in accordance with the provisions of this Contract, to be made from wages actually earned by persons so employed or to be employed in such classifications, shall be posted at appropriate conspicuous points at the site of the work.

12. COMPLAINTS, PROCEEDINGS, OR TESTIMONY BY EMPLOYEES

No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

13. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

Claims and disputes pertaining to wage rates or to classifications of laborers and mechanics employed upon the work covered by this Contract shall be promptly reported by the Contractor in writing to the Local Public Agency or Public Body for referral by the latter through the Secretary of Housing and Urban Development to the Secretary of Labor, United States Department of Labor, whose decision shall be final with respect thereto.

14. QUESTIONS CONCERNING CERTAIN FEDERAL STATUTES AND REGULATIONS

All questions arising under this Contract which relate to the application or interpretation of (a) the aforesaid Anti-Kickback Act, (b) the Contract Work Hours and Safety Standards Act, (c) the aforesaid Davis-Bacon Act, (d) the regulations issued by the Secretary of Labor, United States Department of Labor, pursuant to said Acts, or (e) the labor standards provisions of any other pertinent Federal statute, shall be referred, through the Local Public Agency or Public Body and the Secretary of Housing and Urban Development, to the Secretary of Labor, United States Department of Labor, for said Secretary's appropriate ruling or interpretation which shall be authoritative and may be relied upon for the purposes of this Contract.

15. PAYROLLS AND BASIC PAYROLL RECORDS OF CONTRACTOR AND SUBCONTRACTORS

The Contractor and each subcontractor shall prepare his payrolls on forms satisfactory to and in accordance with instructions to be

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furnished by the Local Public Agency or Public Body. The Contractor shall submit weekly to the Local Public Agency or Public Body two certified copies of all payrolls of the Contractor and of the subcontractors, it being understood that the Contractor shall be responsible for the submission of copies of payrolls of all subcontractors. Each such payroll shall contain the "Weekly Statement of Compliance" set forth in Section 3.3 of Title 29, Code of Federal Regulations. The payrolls and basic payroll records of the Contractor and each subcontractor covering all laborers and mechanics employed upon the work covered by this Contract shall be maintained during the course of the work and preserved for a period of 3 years thereafter. Such payrolls and basic payroll records shall contain the name and address of each such employee, his correct classification, rate of pay (including rates of contributions or costs anticipated of the types described in Section 1(b)(2) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. In addition, whenever the Secretary of Labor has found under Section 5.5(a)(1)(iv) of Title 29, Code of Federal Regulations, that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor or subcontractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. The Contractor and each subcontractor shall make his employment records with respect to persons employed by him upon the work covered by this Contract available for inspection by authorized representatives of the Secretary of Housing and Urban Development, the Local Public Agency or Public Body, and the United States Department of Labor. Such representatives shall be permitted to interview employees of the Contractor or of any subcontractor during working hours on the job.

16. SPECIFIC COVERAGE OF CERTAIN TYPES OF WORK BY EMPLOYEES

The transporting of materials and supplies to or from the site of the Project or Program to which this Contract pertains by the employees of the Contractor or of any subcontractor, and the manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the Project or Program to which this Contract pertains by persons employed by the Contractor or by any subcontractor, shall, for the purposes of this Contract, and without limiting the generality of the foregoing provisions of this Contract, be deemed to be work to which these Federal Labor Standards Provisions are applicable.

17. INELIGIBLE SUBCONTRACTORS

The Contractor shall not subcontract any part of the work covered by this Contract or permit subcontracted work to be further subcontracted

without the Local Public Agency's or Public Body's prior written approval of the subcontractor. The Local Public Agency or Public Body will not approve any subcontractor for work covered by this Contract who is at the time ineligible under the provisions of any applicable regulations issued by the Secretary of Labor, United States Department of Labor or the Secretary of Housing and Urban Development, to receive an award of such subcontract.

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18. PROVISIONS TO BE INCLUDED IN CERTAIN SUBCONTRACTS

The Contractor shall include or cause to be included in each subcontract covering any of the work covered by this Contract, provisions which are consistent with these Federal Labor Standards Provisions and also a clause requiring the subcontractors to include such provisions in any lower tier subcontracts which they may enter into, together with a clause requiring such insertion in any further subcontracts that may in turn be made.

19. BREACH OF FOREGOING FEDERAL LABOR STANDARDS PROVISIONS

In addition to the causes for termination of this Contract as herein elsewhere set forth, the Local Public Agency or Public Body reserves the right to terminate this Contract if the Contractor or any subcontractor whose subcontract covers any of the work covered by this Contract shall breach any of these Federal Labor Standards Provisions. A breach of these Federal Labor Standards Provisions may also be grounds for debarment as provided by the applicable regulations issued by the Secretary of Labor, United States Department of Labor.

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**ATTACHMENT TO FEDERAL LABOR STANDARDS PROVISIONS
SO-CALLED "ANTI-KICKBACK ACT" AND REGULATIONS PROMULGATED
PURSUANT THERETO BY THE SECRETARY OF LABOR,
UNITED STATES DEPARTMENT OF LABOR**

TITLE 18, U.S.C., section 874

(Replaces section 1 of the Act of June 13, 1934 (48 Stat. 948, 40 U.S.C.,
sec. 276b) pursuant to the Act of June 25, 1948, 62 Stat. 862)

KICKBACKS FROM PUBLIC WORKS EMPLOYEES

Whoever, by force, intimidation, or threat of procuring dismissal from employment, or by any other manner whatsoever induces any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

**SECTION 2 OF THE ACT OF JUNE 13, 1934, AS AMENDED (48 Stat. 948, 62 Stat. 862,
63 Stat. 108, 72 Stat. 967, 40 U.S.C., sec. 276c)**

The Secretary of Labor shall make reasonable regulations for contractors and subcontractors engaged in the construction, prosecution, completion or repair of public buildings, public works or buildings or works financed in whole or in part by loans or grants from the United States, including a provision that each contractor and subcontractor shall furnish weekly a statement with respect to the wages paid each employee during the preceding week. Section 1001 of Title 18 (United States Code) shall apply to such statements.

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Pursuant to the aforesaid Anti-Kickback Act, the Secretary of Labor, United States Department of Labor, has promulgated the regulations hereinafter set forth, which regulations are found in Title 29, Subtitle A, Code of Federal Regulations, Part 3. The term "this part," as used in the regulations hereinafter set forth, refers to Part 3 last above mentioned. Said regulations are as follows:

TITLE 29 - LABOR

Subtitle A - Office of the Secretary of Labor

**PART 3 - CONTRACTORS AND SUBCONTRACTORS ON PUBLIC BUILDING OR PUBLIC WORK FINANCED IN
WHOLE OR IN PART BY LOANS OR GRANTS FROM THE UNITED STATES**

Section 3.1 Purpose and scope.

This part prescribes "anti-kickback" regulations under section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c), popularly known as the Copeland Act. This part applies to any contract which is subject to Federal wage standards and which is for the construction, prosecution, completion, or repair of public buildings, public works or buildings or works financed in whole or in part by loans or grants from the United States. The part is intended to aid in the enforcement of the minimum wage provisions of the Davis-Bacon Act and the various statutes dealing with Federally-assisted construction that contain similar minimum wage provisions, including those provisions which are not subject to Reorganization Plan No. 14

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(e.g., the College Housing Act of 1950, the Federal Water Pollution Control Act, and the Housing Act of 1959), and in the enforcement of the overtime provisions of the Contract Work Hours Standards Act whenever they are applicable to construction work. The part details the obligation of contractors and subcontractors relative to the weekly submission of statements regarding the wages paid on work covered thereby; sets forth the circumstances and procedures governing the making of payroll deductions from the wages of those employed on such work; and delineates the methods of payment permissible on such work.

Section 3.2 Definitions.

As used in the regulations in this part:

(a) The terms "building" or "work" generally include construction activity as distinguished from manufacturing, furnishing of materials, or servicing and maintenance work. The terms include, without limitation, buildings, structures, and improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals; dredging, shoring, scaffolding, drilling, blasting, excavating, clearing, and landscaping. Unless conducted in connection with and at the site of such a building or work as is described in the foregoing sentence, the manufacture or furnishing of materials, articles, supplies, or equipment (whether or not a Federal or State agency acquires title to such materials, articles, supplies, or equipment during the course of the manufacture or furnishing, or owns the materials from which they are manufactured or furnished) is not a "building" or "work" within the meaning of the regulations in this part.

(b) The terms "construction," "prosecution," "completion," or "repair" mean all types of work done on a particular building or work at the site thereof, including, without limitation, altering, remodeling, painting and decorating, the transporting of materials and supplies to or from the building or work by the employees of the construction contractor or construction subcontractor, and the manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work, by persons employed at the site by the contractor or subcontractor.

(c) The terms "public building" or "public work" include building or work for whose construction, prosecution, completion, or repair, as defined above, a Federal agency is a contracting party, regardless of whether title thereof is in a Federal agency.

(d) The term "building or work financed in whole or in part by loans or grants from the United States" includes building or work for whose construction, prosecution, completion, or repair, as defined above, payment or part payment is made directly or indirectly from funds provided by loans or grants by a Federal agency. The term does not include building or work for which Federal assistance is limited solely to loan guarantees or insurance.

(e) Every person paid by a contractor or subcontractor in any manner for his labor in the construction, prosecution, completion, or repair of a public building or public work or building or work financed in whole or in part by loans or grants from the United States is "employed" and receiving "wages," regardless of any contractual relationship alleged to exist between him and the real employer.

(f) The term "any affiliated person" includes a spouse, child, parent, or other close relative of the contractor or subcontractor; a partner or officer of the contractor or subcontractor; a corporation closely connected with the contractor or subcontractor as parent, subsidiary or otherwise, and an officer or agent of such corporation.

(g) The term "Federal agency" means the United States, the District of Columbia, and all executive departments, independent establishments, administrative agencies, and instrumentalities of the United States and of the District of Columbia, including corporations, all or substantially all of the stock of which is beneficially owned by the United States, by the District of Columbia, or any of the foregoing departments, establishments, agencies, and instrumentalities.

Section 3.3 Weekly statement with respect to payment of wages.

(a) As used in this section, the term "employee" shall not apply to persons in classifications higher than that of laborer or mechanic and those who are the immediate supervisors of such employees.

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(b) Each contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, shall furnish each work a statement with respect to the wages paid each of its employees engaged on work covered by 29 CFR Parts 3 and 5 during the preceding weekly payroll period. This statement shall be executed by the contractor or subcontractor or by an authorized officer or employee of the contractor or subcontractor who supervises the payment of wages, and shall be on form WH 348, "Statement of Compliance", or on an identical form on the back of WH 347, "Payroll (For Contractor's Optional Use)" or on any form with identical wording. Sample copies of WH 347 and WH 348 may be obtained from the Government contracting or sponsoring agency, and copies of these forms may be purchased at the Government Printing Office.

(c) The requirements of this section shall not apply to any contract of \$2,000 or less.

(d) Upon a written finding by the head of a Federal agency, the Secretary of Labor may provide reasonable limitations, variations, tolerances, and exemptions from the requirements of this section subject to such conditions as the Secretary of Labor may specify.

[29 F.R. 95, Jan. 4, 1964, as amended at 33 F.R. 10186, July 17, 1968]

Section 3.4 Submission of weekly statements and the preservation and inspection of weekly payroll records.

(a) Each weekly statement required under § 3.3 shall be delivered by the contractor or subcontractor, within seven days after the regular payment date of the payroll period, to a representative of a Federal or State agency in charge at the site of the building or work, or, if there is no representative of a Federal or State agency at the site of the building or work, the statement shall be mailed by the contractor or subcontractor, within such time, to a Federal or State agency contracting for or financing the building or work. After such examination and check as may be made, such statement, or a copy thereof, shall be kept available, or shall be transmitted together with a report of any violation, in accordance with applicable procedures prescribed by the United States Department of Labor.

(b) Each contractor or subcontractor shall preserve his weekly payroll records for a period of three years from date of completion of the contract. The payroll records shall set out accurately and completely the name and address of each laborer and mechanic, his correct classification, rate of pay, daily and weekly number of hours worked, deductions made, and actual wages paid. Such payroll records shall be made available at all times for inspection by the contracting officer or his authorized representative, and by authorized representatives of the Department of Labor.

Section 3.5 Payroll deductions permissible without application to or approval of the Secretary of Labor.

Deductions made under the circumstances or in the situations described in the paragraphs of this section may be made without application to and approval of the Secretary of Labor:

(a) Any deduction made in compliance with the requirements of Federal, State, or local law, such as Federal or State withholding income taxes and Federal social security taxes.

(b) Any deduction of sums previously paid to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when cash or its equivalent has been advanced to the person employed in such manner as to give him complete freedom of disposition of the advanced funds.

(c) Any deduction of amounts required by court process to be paid to another, unless the deduction is in favor of the contractor, subcontractor or any affiliated person, or when collusion or collaboration exists.

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(d) Any deduction constituting a contribution on behalf of the person employed to funds established by the employer or representatives of employees, or both, for the purpose of providing either from principal or income, or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness, or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts, or similar payments for the benefit of employees, their families and dependents: *Provided, however,* That the following standards are met: (1) The deduction is not otherwise prohibited by law; (2) it is either: (i) Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of or for the continuation of employment, or (ii) provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees; (3) no profit or other benefit is otherwise obtained, directly or indirectly, by the contractor or subcontractor or any affiliated person in the form of commission, dividend, or otherwise; and (4) the deductions shall serve the convenience and interest of the employee.

(e) Any deduction contributing toward the purchase of United States Defense Stamps and Bonds when voluntarily authorized by the employee.

(f) Any deduction requested by the employer to enable him to repay loans to or to purchase shares in credit unions organized and operated in accordance with Federal and State credit union statutes.

(g) Any deduction voluntarily authorized by the employee for the making of contributions to governmental or quasi-governmental agencies, such as the American Red Cross.

(h) Any deduction voluntarily authorized by the employee for the making of contributions to Community Chests, United Givers Funds, and similar charitable organizations.

(i) Any deductions to pay regular union initiation fees and membership dues, not including fines or special assessments: *Provided, however,* That a collective bargaining agreement between the contractor or subcontractor and representatives of its employees provides for such deductions and the deductions are not otherwise prohibited by law.

(j) Any deduction not more than for the "reasonable cost" of board, lodging, or other facilities meeting the requirements of section 3(m) of the Fair Labor Standards Act of 1938, as amended, and Part 531 of this title. When such a deduction is made the additional records required under § 516.27 (a) of this title shall be kept.

Section 3.6 Payroll deductions permissible with the approval of the Secretary of Labor.

Any contractor or subcontractor may apply to the Secretary of Labor for permission to make any deduction not permitted under § 3.5. The Secretary may grant permission whenever he finds that:

(a) The contractor, subcontractor, or any affiliated person does not make a profit or benefit directly or indirectly from the deduction either in the form of a commission, dividend, or otherwise;

(b) The deduction is not otherwise prohibited by law;

(c) The deduction is either (1) voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of employment or its continuance, or (2) provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees; and

(d) The deduction serves the convenience and interest of the employee.

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Section 3.7 Applications for the approval of the Secretary of Labor.

Any application for the making of payroll deductions under § 3.6 shall comply with the requirements prescribed in the following paragraphs of this section:

- (a) The application shall be in writing and shall be addressed to the Secretary of Labor.
- (b) The application shall identify the contract or contracts under which the work in question is to be performed. Permission will be given for deductions only on specific, identified contracts, except upon a showing of exceptional circumstances.
- (c) The application shall state affirmatively that there is compliance with the standards set forth in the provisions of § 3.6. The affirmation shall be accompanied by a full statement of the facts indicating such compliance.
- (d) The application shall include a description of the proposed deduction, the purpose to be served thereby, and the classes of laborers or mechanics from whose wages the proposed deduction would be made.
- (e) The application shall state the name and business of any third person to whom any funds obtained from the proposed deductions are to be transmitted and the affiliation of such person, if any, with the applicant.

Section 3.8 Action by the Secretary of Labor upon applications.

The Secretary of Labor shall decide whether or not the requested deduction is permissible under provisions of § 3.6; and shall notify the applicant in writing of his decision.

Section 3.9 Prohibited payroll deductions.

Deductions not elsewhere provided for by this part and which are not found to be permissible under § 3.6 are prohibited.

Section 3.10 Methods of payment of wages.

The payment of wages shall be by cash, negotiable instruments payable on demand, or the additional forms of compensation for which deductions are permissible under this part. No other methods of payment shall be recognized on work subject to the Copeland Act.

Section 3.11 Regulations part of contract.

All contracts made with respect to the construction, prosecution, completion, or repair of any public building or public work or building or work financed in whole or in part by loans or grants from the United States covered by the regulations in this part shall expressly bind the contractor or subcontractor to comply with such of the regulations in this part as may be applicable. In this regard, see § 5.5 (a) of this subtitle.

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project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

B. The parties to this contract will comply with the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR ———, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

D. The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR ———. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR ——— and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

E. Compliance with the provisions of section 3, the regulations set forth in 24 CFR ———, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR ———.135.

§ 135.20 Assurance of compliance with regulations.

(a) Every contract or agreement for a grant, loan, subsidy, or other direct financial assistance in aid of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development, entered into by the Department of Housing and Urban Development with respect to a section 3 covered project shall contain provisions requiring the applicant or recipient to carry out the provisions of section 3, the regulations set forth in this part, and any applicable rules and orders of the Department issued thereunder prior to approval of its application for assistance for a section 3 covered project.

(b) Every applicant, recipient, contracting party, contractor, and subcontractor shall incorporate, or cause to be incorporated, in all contracts for work in connection with a section 3 covered project, the following clause (referred to as a section 3 clause):

A. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the

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MONTHLY NARRATIVE REPORT

FOR MONTH OF _____

Organization _____ Project _____

Name of Person Completing Form _____ Telephone _____

A. Operating Steps Taken: (List major activities such as hiring of staff, signing of contract, purchase of equipment or supplies, etc.)

B. Accomplishments This Month: (List services provided, rehabilitations performed, construction completed, etc.)

C. Problems Encountered:

D. Extent of Project Completion to Date: _____ %.

COMMUNITY DEVELOPMENT BLOCK
GRANT REGULATIONS

OMB Circular No. A-102
Attachment G
(Excerpts)

Attachment G - Standards for Grantee
Financial Management Systems

Federal Register Reference B570.502
B570.505
B570.907

1. Grantee financial management systems shall provide for:

a. Accurate, current, and complete disclosure of the financial results of each grant program in accordance with Federal reporting requirements. HUD requires reporting on an accrual basis. If the grantee's accounting records are not kept on that basis, the grantee should develop such accrual data on its reports on the basis of an analysis of the documentation on hand.

b. Records that identify adequately the source and application of funds for grant-supported activities. These records shall contain information pertaining to Federal awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

c. Effective control over and accountability for all funds, property, and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

d. Comparison of actual outlays with budgeted amounts for each grant. Also, relation of financial information with performance or productivity data.

e. Procedures to minimize the time elapsing between the transfer of funds from the U. S. Treasury and the disbursement by the grantee, whenever funds are advanced by the Federal Government. When advances are made by a letter-of-credit method, the grantee shall make draw-downs from the U. S. Treasury as close as possible to the time of making the disbursements. Advances made by primary recipient organizations (those which receive payments directly from the Federal Government) to secondary recipients shall conform substantially to the same standards of timing and amount as apply to advances by Federal agencies to primary recipient organizations.

f. Procedures for determining reasonableness, allowability and allocability of costs in accordance with the provisions of Federal Management Circular 74-4.

COMMUNITY DEVELOPMENT BLOCK
GRANT REGULATIONS

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OMB Circular No. A-102
Attachment G
(Excerpts)

g. Accounting records that are supported by source documentation.

h. Examinations in the form of audits or internal audits. Such audits shall be made by qualified individuals who are sufficiently independent of those who authorize the expenditure of Federal funds, to produce unbiased opinions, conclusions, or judgments. These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant. They should be made in accordance with generally accepted auditing standards including the standards published by the General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions." Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. The frequency of these examinations shall depend upon the nature, size, and the complexity of the activity.

1. A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

2. Primary grantees shall require subgrantees to adopt the standards in paragraph 1, above, except for the requirement in subparagraph 1(a), regarding Federal reporting requirements.

EXHIBIT G

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SUBGRANTEE will undertake said projects under the following conditions, to wit:

1. Upon receipt of the signed agreement, Sacramento County Community Development Block Grant staff will encumber funds for each of the previously mentioned projects in the amounts specified in Exhibit A.
2. By the 10th of each month SUBGRANTEE must file statements of progress on activities with the County Community Development Block Grant staff regardless of whether any change in activities occurred using the attached forms.
3. For any subcontracts, the Technical Services Division of the County Department of Public Works will be responsible for coordination of the implementation of compliance with federal laws and regulations pertaining to Community Development Block Grant, Fair Labor Standards, Equal Employment Opportunity, and Section 3. Prior to retaining any consultants or letting any contracts, SUBGRANTEE must contact Michael K. Newey, Engineering and Design, Department of Public Works, 827 7th Street, Sacramento 95814 (telephone 440-6651), who will monitor the implementation of the project. SUBGRANTEE is required to adhere to the following procedures unless exceptions are authorized in writing by Department of Public Works:

- a. SUBGRANTEE shall submit a preliminary budget for entire project including Community Development funds and SUBGRANTEE'S funds, in sufficient detail to allow Department of Public Works to verify appropriateness of expenditures and ability to complete project with available funds. At a minimum the following must be included:

- Administration Costs Including Inspection and Fees
- Architectural/Engineering Costs
- Construction Costs
- Acquisition of Property or Rights-of-Way
- Equipment
- Contingencies

Such budget shall be within the allotted amount contained in SUBGRANTEE'S contract.

- b. Where SUBGRANTEE is acquiring real property or rights-of-way for the CDBG project, SUBGRANTEE must receive written approval from Department of Public Works to insure that all state and federal regulations are followed before proceeding past Step c.
- c. Department of Public Works approves budget and specifies any conditions including those regarding formal retention of consultants, and DPW issues written notice authorizing SUBGRANTEE to proceed with the process for retention of engineering study/architectural design (where applicable).
- d. Department of Public Works approves formal selection of architect and/or consultant.
- e. SUBGRANTEE retains consultant or engineer (where applicable). Department of Public Works reviews request for payment and work performed and notifies Administration and Finance Agency to make progress payments to SUBGRANTEE.

EXHIBIT G (Continued)

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- f. For construction projects and work performed, the following steps are to be followed:
- (1) SUBGRANTEE submits preliminary plans, specifications, and cost estimates to Department of Public Works.
 - (2) SUBGRANTEE submits final plans, specifications and cost estimates to Department of Public Works before advertising for bids. DPW verifies conformance with applicable standards, CDBG requirements and application, and reasonability of project completion. DPW verifies conformance with Fair Labor Laws, Equal Employment Opportunities (Section 3), etc. DPW is required to see that project has been cleared by every agency concerned or which has regulatory responsibilities.
 - (3) Department of Public Works authorizes SUBGRANTEE to advertise for bids for construction using approved format.
 - (4) SUBGRANTEE advertises for bids using approved format.
 - (5) SUBGRANTEE holds pre-bid conference at which Department of Public Works and/or designees explain federal and state contract requirements and County procedures.
 - (6) SUBGRANTEE receives bids.
 - (7) Department of Public Works reviews proposals before SUBGRANTEE awards subcontracts. DPW ascertains that all rights-of-way or fee ownership have been obtained; SUBGRANTEE selects subcontractor and awards subcontract. SUBGRANTEE holds pre-construction conference at which DPW and/or designee discusses federal regulations relating to construction projects (equal employment opportunities, affirmative action plans, payroll submissions, etc.) DPW provides Administration and Finance Agency with copy of all sub-contracts to the prime contract identifying minority and Section 3 firms.
- g. For supply and service subcontracts, SUBGRANTEE must obtain written approval by Department of Public Works to insure compliance with federal regulations. DPW provides Administration and Finance Agency with a copy of supply and service subcontracts identifying all minority and Section 3 firms.
- h. For each subcontract, Department of Public Works or designee will maintain a separate file(s) for each project which contains all required information and carry out the necessary activities to insure compliance with fair labor standards, equal employment opportunity regulations, Section 3 regulations, and County minority business participation goals. DPW submits monthly reports to Administration and Finance Agency on the compliance status of each project.
- i. SUBGRANTEE and/or subcontractor must obtain necessary construction permits as required by the County and transmit copies to Department of Public Works.
- j. Change orders are subject to Department of Public Works and/or designee budget approval prior to the work being done.

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EXHIBIT G (Continued)

- k. SUBGRANTEE will certify progress payments, subject to audit and final audit. Department of Public Works will review requests for payments for conformance with budget and notify Administration and Finance Agency to make payment.
- l. Prior to final acceptance of project from contract, Department of Public Works will verify project completion and make a final compliance audit. SUBGRANTEE must file Notice of Completion. Where appropriate, Administration and Finance will have a financial audit performed.

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Attachment N - Property Management Standards

Federal Register Reference: §570.506

1. This appendix prescribes uniform standards governing the utilization and disposition of property furnished by the Federal Government or acquired in whole or in part with Federal funds or whose cost was charged to a project supported by a Federal grant. Grantees are authorized to use their own property management standards and procedures as long as the provisions of this attachment are included.
2. The following definitions apply for the purpose of this attachment:
 - a. Real property. Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.
 - b. Personal property. Personal property of any kind except real property. It may be tangible -- having physical existence, or intangible -- having no physical existence, such as patents, inventions, and copyrights.
 - c. Nonexpendable personal property. Nonexpendable personal property means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. A grantee may use its own definition of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined above.
 - d. Expendable personal property. Expendable personal property refers to all tangible personal property other than nonexpendable property.
 - e. Excess property. Excess property means property under the control of any Federal agency which, as determined by the head thereof, is no longer required for its needs or discharge of its responsibilities.
 - f. Acquisition cost of purchased nonexpendable personal property. Acquisition cost of an item or purchased nonexpendable personal property means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty, or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices.

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g. Exempt property. Exempt property means tangible personal property acquired in whole or in part with Federal funds, and title to which is vested in the recipient without further obligation to the Federal Government except as provided in subparagraph 5a below. Such unconditional vesting of title will be pursuant to any Federal legislation that provides the Federal sponsoring agency with adequate authority.

3. Federally owned nonexpendable personal property. Title to federally owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally owned property in their custody to the Federal agency. Upon completion of the agreement or when the property is no longer needed; the grantee shall report the property to the Federal agency for further agency utilization.

If the Federal agency has no further need for the property, it shall be declared excess and reported to the General Services Administration. Appropriate disposition instructions will be issued to the recipient after completion of the Federal agency review.

4. Exempt property. When statutory authority exists title to non-expendable personal property acquired with project funds shall be vested in the recipient upon acquisition unless it is determined that to do so is not in the furtherance of the objectives of the Federal sponsoring agency. When title is vested in the recipient the recipient shall have no other obligation or accountability to the Federal Government for its use or disposition except as provided in 5a below.

5. Other nonexpendable property. When other nonexpendable tangible property is acquired by a grantee with project funds title shall not be taken by the Federal Government but shall vest in the grantee subject to the following conditions:

a. Right to transfer title. For items of nonexpendable personal property having a unit acquisition cost of \$1,000 or more, the Federal agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:

(1) The property shall be appropriately identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal agency shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal agency fails to issue disposition instructions within the 120 calendar-day period, the grantee shall apply the standards of subparagraph 5(b) and 5(c) as appropriate.

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(3) When the Federal agency exercises its right to take title, the personal property shall be subject to the provisions for federally-owned nonexpendable property discussed in paragraph 3, above.

(4) When title is transferred either to the Federal Government or to a third party, the provisions of subparagraph 5(c)(2)(b) should be followed.

b. Use of other tangible nonexpendable property for which the grantee has title.

(1) The grantee shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original project or program, the grantee shall use the property in connection with its other federally sponsored activities, in the following order of priority:

(a) Activities sponsored by the same Federal agency.

(b) Activities sponsored by other Federal agencies.

(2) Shared use. During the time that nonexpendable personal property is held for use on the project or program for which it was acquired, the grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal agency that financed the property; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal agency. User charges should be considered if appropriate.

c. Disposition of other nonexpendable property. When the grantee no longer needs the property as provided in 5b above, the property may be used for other activities in accordance with the following standards:

(1) Nonexpendable property with a unit acquisition cost of less than \$1,000. The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(2) Nonexpendable personal property with a unit acquisition cost of \$1,000 or more. The grantee may retain the property for other uses provided that compensation is made to the original Federal agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the

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property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from the original grantor agency.

The Federal agency shall determine whether the property can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Federal agency to determine whether a requirement for the property exists in other Federal agencies. The Federal agency shall issue instructions to the grantee no later than 120 days after the grantee request and the following procedures shall govern:

(a) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse the Federal agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(b) If the grantee is instructed to ship the property elsewhere the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the grantee participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(c) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by the Federal agency for such costs incurred in its disposition.

d. Property management standards for nonexpendable property. The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(1) Property records shall be maintained accurately and shall include:

(a) A description of the property.

(b) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(c) Source of the property including grant or other agreement number.

(d) Whether title vests in the grantee or the Federal Government.

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(e) Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.

(f) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government.)

(g) Location, use, and condition of the property and the date the information was reported.

(h) Unit acquisition cost.

(i) Ultimate disposition date, including date of disposal and sales price or the method used to determine current fair market value where a grantee compensates the Federal agency for its share.

(2) Property owned by the Federal Government must be marked to indicate Federal ownership.

(3) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the grantee shall promptly notify the Federal agency.

(5) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(6) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

6. Expendable personal property. Title to expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and if the property is not needed for any other federally sponsored project or program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall

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be computed in the same manner as nonexpendable personal property.

7. Intangible property.

a. Inventions and patents. If any program produces patentable items, patent rights, processes, or inventions, in the course of work sponsored by the Federal Government, such fact shall be promptly and fully reported to the Federal agency. Unless there is a prior agreement between the grantee and the Federal agency on disposition of such items, the Federal agency shall determine whether protection on the invention or discovery shall be sought. The Federal agency will also determine how the rights in the invention or discovery, including rights under any patent issued thereon, shall be allocated and administered in order to protect the public interest consistent with "Government Patent Policy" (President's Memorandum for Heads of Executive Departments and Agencies, August 23, 1971, and statement of Government Patent Policy as printed in 36 FR 16889).

b. Copyrights. Except as otherwise provided in the terms and conditions of the agreement, the author or the grantee organization is free to copyright any books, publications, or other copyrightable materials developed in the course of or under a Federal agreement, but the Federal agency shall reserve a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

8. Excess personal property. When title to excess property is vested in grantees such property shall be accounted for and disposed of in accordance with paragraphs 5(c) and 5(d) of this attachment.

Attachment 0 - Procurement Standards

Federal Register Reference §570.507

1. This appendix provides standards for use by the State and local governments in establishing procedures for the procurement of supplies, equipment, construction, and other services with Federal grant funds. These standards are furnished to insure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal law and Executive orders.
2. The standards contained in this appendix do not relieve the grantee of the contractual responsibilities arising under its contracts. The grantee is the responsible authority, without recourse to the grantor agency regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into, in support of a grant. This includes but is not limited to: disputes; claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of law are to be referred to such local, State, or Federal authority as may have proper jurisdiction.
3. Grantees may use their own procurement regulations which reflect applicable State and local law, rules and regulations provided that procurements made with Federal grant funds adhere to the standards set forth as follows:
 - a. The grantee shall maintain a code or standards of conduct which shall govern the performance of its officers, employees, or agents in contracting with and expending Federal grant funds. Grantee's officers, employees or agents, shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors. To the extent permissible by State or local law, rules or regulations, such standards shall provide for penalties, sanctions, or other disciplinary actions to be applied for violations of such standards by either the grantee officers, employees, or agents, or by contractors or their agents.
 - b. All procurement transactions regardless of whether negotiated or advertised and without regard to dollar value shall be conducted in a manner so as to provide maximum open and free competition. The grantee should be alert to organizational conflicts of interest or noncompetitive practices among contractors which may restrict or eliminate competition or otherwise restrain trade.

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c. The grantee shall establish procurement procedures which provide for, as a minimum, the following procedural requirements:

(1) Proposed procurement actions shall be reviewed by grantee officials to avoid purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.

(2) Invitations for bids or requests for proposals shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement, and when so used the specific features of the named brand which must be met by offerors should be clearly specified.

(3) Positive efforts shall be made by the grantees to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts to be performed utilizing Federal grant funds.

(4) The type of procuring instruments used (i.e., fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, etc.), shall be appropriate for the particular procurement and for promoting the best interest of the grant program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(5) Formal advertising, with adequate purchase description, sealed bids, and public openings shall be the required method of procurement unless negotiation pursuant to paragraph (6) below is necessary to accomplish sound procurement. However, procurements of \$10,000 or less need not be so advertised unless otherwise required by State or local law or regulations. Where such advertised bids are obtained the awards shall be made to the responsible bidder whose bid is responsive to the invitation and is most advantageous to the grantee, price and other factors considered. (Factors such as discounts, transportation costs, taxes may be considered in determining the lowest bid.) Invitations for bids shall clearly set forth all requirements which the bidder must fulfill in order for his bid to be evaluated by the grantee. Any or all bids may be rejected when it is in the grantee's interest to do so, and such rejections are in accordance with applicable State and local law, rules, and regulations.

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(6) Procurements may be negotiated if it is impracticable and unfeasible to use formal advertising. Generally, procurements may be negotiated by the grantee if:

(a) The public exigency will not permit the delay incident to advertising;

(b) The material or service to be procured is available from only one person or firm; (All contemplated sole source procurements where the aggregate expenditure is expected to exceed \$5,000 shall be referred to the grantor agency for prior approval.)

(c) The aggregate amount involved does not exceed \$10,000;

(d) The contract is for personal or professional services, or for any service to be rendered by a university, college, or other educational institutions;

(e) The material or services are to be procured and used outside the limits of the United States and its possessions;

(f) No acceptable bids have been received after formal advertising;

(g) The purchases are for highly perishable materials or medical supplies, for material or services where the prices are established by law, for technical items or equipment requiring standardization and interchangeability of parts with existing equipment, for experimental, developmental or research work, for supplies purchased for authorized resale, and for technical or specialized supplies requiring substantial initial investment for manufacture;

(h) Otherwise authorized by law, rules, or regulations.

Notwithstanding the existence of circumstances justifying negotiation, competition shall be obtained to the maximum extent practicable.

(7) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources.

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(8) Procurement records or files for purchases in amounts in excess of \$10,000 shall provide at least the following pertinent information: justification for the use of negotiation in lieu of advertising, contractor selection, and the basis for the cost or price negotiated.

(9) A system for contract administration shall be maintained to assure contractor conformance with terms, conditions, and specifications of the contract or order, and to assure adequate and timely follow-up of all purchases.

4. The grantee shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts and subgrants:

a. Contracts shall contain such contractual provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such remedial actions as appropriate.

b. All contracts, amounts for which are in excess of \$10,000, shall contain suitable provisions for termination by the grantee including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated because of circumstances beyond the control of the contractor.

c. All contracts awarded by grantees and their contractors or subgrantees having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

d. All contracts and subgrants for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of labor regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The grantee shall report all suspected or reported violations to the grantor agency.

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e. All construction contracts awarded by grantees and subgrantees in excess of \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7.) and as supplemented by Department of Labor regulations (29 CFR, Part 5). Under this Act contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less often than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to the grantor agency.

f. Where applicable, all contracts awarded by grantees and subgrantees in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborers on the basis of a standard work day of 8 hours and a standard work week of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1- $\frac{1}{2}$ times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

g. Contracts or agreements, the principal purpose of which is to create, develop, or improve products, processes or methods; or for exploration into fields which directly concern public health, safety, or welfare; or contracts in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions, and materials generated under the contract or agreement are subject to the regulations issued by the Federal grantor agency and the grantee. The contractor shall be advised as to the source of additional information regarding these matters.

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h. All negotiated contracts (except those of \$10,000 or less) awarded by grantees shall include a provision to the effect that the grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific grant program for the purpose of making audit, examination, excerpts, and transcriptions.

i. Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision which requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended. Violations shall be reported to the grantor agency and the Regional Office of the Environmental Protection Agency.

