



Appendix 5-8 Required Contract Provisions

This tool is an appendix to Chapter 5 of the Grants Management Manual (Procurement) to assist in developing procurement documents. When procurement requires the development of a formal procurement packet – cross reference your local procurement documents with the following checklist to ensure all required provisions are included for compliant procurement. For more guidance on general procurement processes, please review Chapter 5 of the Grants Management Manual. For more guidance on equity-centered procurement processes, please review Appendix B: Equity Toolkit.

All procurements funded in whole or in part with CDBG funds must comply with the federal requirements found in 2 CFR Part 200. The goal in using these procurement procedures is to achieve maximum open and free competition. All Grantees of CDBG funds, including subrecipients, must follow the procurement standards in § [200.318](#) through [200.327](#). Detailed information on procurement types and processes can be found in Chapter 5 of the Grants Management Manual.

When entering into a contract for services paid, in whole or in part, with CDBG funds, Grantees must ensure all contracts include all applicable provisions listed below. If your document is missing any components, sample language has been provided for your review and use.

DEFINITIONS USED IN THIS CHECKLIST

Competitive Negotiation: A procedure for contracting for supplies, materials, equipment, or contractual services, in which proposals/qualifications are solicited from qualified suppliers by a Request for Proposal/Qualifications (RFP/RFQ), and in which changes to price and/or proposals may be negotiated after being submission. Request for Proposal and Request for Qualifications are defined below.

Invitation for Bids (IFB): Under the sealed bidding method of procurement, the written solicitation document that explains what the grantee is seeking to buy and requests bids from potential contractors.

Micro/Small Purchase Procedure: An informal process that can be used when the cost of supplies or services, in the aggregate, do not exceed the federal simplified acquisition threshold, currently defined as \$10,000 for Micro purchases and \$250,000 for



Appendix 5-8 Required Contract Provisions

Small purchases. This tool may not be applicable to all Micro/Small purchase procurement contracts. See Chapter 5 of the Grants Management Manual for detailed information on micro/small purchases requirements.

Request for Proposals (RFP): Under the competitive proposal method of procurement, the offeror's written solicitation to prospective firms to submit a proposal based on the terms and conditions set forth therein. Evaluation of the proposal is based on the factors for award as stated in the solicitation.

Request for Qualification (RFQ): A form of procurement of professional services by competitive proposals in which price is neither requested in the advertisement nor used as an evaluation factor. Only technical qualifications are reviewed, and a fair and reasonable price is negotiated with the most qualified firm after said review. Request for qualifications may ONLY be used in the procurement of architectural or engineering services when utilizing CDBG funds.

Request for Quotations: Under the small purchase method of procurement, a brief written request for a price quotation from potential contractors.

NOTE: While the California Department of Housing and Community Development (HCD) has made every effort to provide timely and accurate information, HCD makes no claims, promises, or guarantees regarding the accuracy, completeness, or adequacy of the contents of this document, and expressly disclaims liability for errors and omissions in its contents. No warranty of any kind, implied, expressed, or statutory, including but not limited to the warranties of non-infringement of third-party rights, title, merchantability, or fitness for a particular purpose is given with respect to the contents of this website or its links to other Internet resources. It is the sole responsibility of the user to determine CDBG requirements and the appropriate language and actions required to address such requirements.



Appendix 5-8 Required Contract Provisions

Grantees can utilize the checklist below to verify that all applicable mandatory contract provisions are included in CDBG assisted contracts. All provisions required by the CDBG program are indicated by an X in the relevant column based on contract type. Sample language is provided in each section in *italic text* to assist grantees in validating their existing contracts or modifying contracts. Where additional thresholds other than contract type apply, those are noted in **blue text** at the top of the provision. Grantees or HCD may include other additional provisions in contracts as long as they don't explicitly violate or contradict any of the provisions herein.

REQUIRED CONTRACT PROVISIONS			
Provision	Type of Contract		
	Construction (IFB)	Prof. Serv. (RFP/RFQ)	Subrecipient
Contract Provisions for Non-Federal Entity Contracts Under Federal Awards			
<p>(A) Contracts for more than the simplified acquisition threshold (48 CFR Part 2, Subpart 2.1 – Definitions currently sets SAT at \$250,000), which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.</p> <p>Sample language: Breach of Contract and Liquidated Damages <i>The services outlined in the Scope of Work will be subject to the following penalties and liquidated damages:</i></p> <ul style="list-style-type: none"> • Penalties: <i>In the event Contractor is determined to have engaged in any proscribed conduct or otherwise is in default as to any applicable term, condition, or requirement of the contract, the Grantee may impose sanctions.</i> • Liquidated Damages: <i>The Grantee and the Contractor will agree on the timetable for the deliverable of each task outlined in the Scope of Work. Grantee and Contractor agree that calculation of actual damages due to a failure to meet performance standards outlined in the Scope of Work is unduly burdensome and difficult to calculate with accuracy, and, therefore, agree that the liquidated damages outlined below are a reasonable estimate of anticipated damages resulting from failure to meet performance standards, and shall not be assessed as a penalty for such failures.</i> <p><i>The Contractor shall pay to the Grantee, as liquidated damages, [\$XXX.XX] (\$100-\$200 is reasonable) for each calendar day that a deliverable required is late until deemed in compliance, subject to a maximum of</i></p>	X	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p>[\$XXX.XX]. Said sum, in view of the difficulty of accurately ascertaining the loss which the Grantee will suffer by reason of delay in the completion of the work herein requested, is hereby fixed and agreed as the liquidated damages that Grantee will suffer by reason of such delay. Liquidated damages received are not intended to be, nor shall they be treated as, either a partial or full waiver or discharge of the Grantee's right to indemnification, or the Contractor's obligation to indemnify the Grantee, or to any other remedy provided for as a provision of the contract or law.</p> <p>Liquidated damages may be assessed at the sole discretion of the Grantee, depending on the degree of the infraction, length of delay, etc. The Grantee will apply and calculate such damages after a grace period of 15 days, subject to no more than 2 extensions, to cure said noncompliance or default. Any requests for extensions must be received in writing by the final day of the grace period or extension. .</p> <p><i>The Grantee may deduct and retain out of any monies due to the Contractor the amount of any such liquidated damages; and in case the amount which may become due is less than the number of liquidated damages due to the Grantee, the Contractor shall be liable to pay the difference.</i></p>		
(B)	<p>All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.</p> <p>Sample language:</p> <p>Termination for Cause. <i>If either Party materially defaults in the performance of any of its duties or obligations under this Agreement, the Party in default either (1) must substantially cure the default within thirty (30) days after written notice is given to the defaulting Party specifying the default; or (2) with respect to those defaults which cannot reasonably be cured within thirty (30) days, must commence curing said default within thirty (30) days, proceed with all due diligence, and substantially cure the default within ninety (90) days. If the defaulting party is unable to do so, the Party not in default may, by giving written notice of termination to the defaulting Party, terminate this Agreement as of a date specified in the notice of termination (the "Termination Date"), such Termination Date being subsequent to the date of the notice of termination.</i></p> <p>Termination for Convenience. <i>Either party may terminate this Agreement in its entirety for convenience after providing the other party 30 days written notice in advance. Any or all finished or unfinished deliverables prepared by the Contractor under this Agreement shall, at the option of the Grantee, become the property of the Grantee.</i></p> <p>NOTE: Grantees should refer to Appendix B: Equity and Belonging Toolkit for information on how contract terms can have adverse effects on businesses and Grantees should consider those impacts prior to acting on such terms.</p>	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
(C)	<p>Equal Employment Opportunity.</p> <p>Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b) in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”</p> <p><u>Sample language:</u></p> <p><i>Federal Provisions - 41 CFR 60-1.4(b) Federally Assisted Construction Contracts.</i></p> <p><i>(1) Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:</i></p> <p><i>The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:</i></p> <p><i>During the performance of this contract, the contractor agrees as follows:</i></p> <p><i>1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without discrimination based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:</i></p> <p style="padding-left: 20px;"><i>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. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.</i></p> <p><i>2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without discrimination base on race, color, religion, sex, sexual orientation, gender identity, or national origin.</i></p>	X	

REQUIRED CONTRACT PROVISIONS

<p>3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.</p> <p>4. The contractor 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 advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.</p> <p>5. The contractor will 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.</p> <p>6. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.</p> <p>7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided 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.</p> <p>8. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) 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. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:</p> <p><i>Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.</i></p> <p><i>The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the</i></p>			
--	--	--	--



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

<p><i>applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.</i></p> <p><i>The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.</i></p> <p><i>The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor 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 administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.</i></p> <p>State Provisions - State Nondiscrimination Clause</p> <p><i>This section is applicable to all Contracts and Subcontracts.</i></p> <p>1) <i>During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of</i></p>	<p>X</p>	<p>X</p>	<p>X</p>
---	-----------------	-----------------	-----------------



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p><i>Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.</i></p> <p>2) <i>The Contractor shall include the nondiscrimination and compliance provisions of this clause in all Subcontracts to perform work under the Contract.</i></p>		
(D)	<p>Davis-Bacon Act, as amended (40 U.S.C. 3141–3148) and Related Acts & State Labor Code Section 1770</p> <p>When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p> <p>The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR 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”). The Act provides that each contractor or subrecipient must 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 or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p>	X	



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

<p>State Labor Standard Provisions: <i>This section is applicable to all Public Works Contracts and Subcontracts</i></p> <p><u>State prevailing wage rates shall apply when the State wage rate is higher than the Federal wage rate.</u> All contractors and subcontractors are subject to the application of Section 1720 et seq. of the California Labor Code which details the regulations and procedures governing the payment of State prevailing wages.</p> <p><u>Sample language:</u> Federal Labor Standard Provisions – Prevailing Wage Statement: <i>This contract will be funded in whole or in part with federal housing and community development funds. The Federal Labor Standards Provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts will be enforced. A copy of the Federal Wage Decision applicable to this project is included in the Bid Document.</i></p> <p><i>This project is a public work in the State of California, funded in whole or in part with public funds. Therefore, the higher of the two applicable prevailing wage rates, federal or state, will be enforced. The Contractor's duty to pay State prevailing wages can be found under Labor Code Section 1770 et seq. Labor Code Sections 1775 and 1777.7 outline the penalties for failure to pay prevailing wages and to employ apprentices, including forfeitures and debarment. The State Wage Decision is available online at http://www.dir.ca.gov/dlsr/ or by contacting the Awarding Body for this contract.</i></p> <p>Copeland Anti-Kickback Act: <i>The Contractor agrees that it will comply with the Copland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). As applied to this contract, the Copland "Anti-Kickback" Act make is unlawful to induce, by force, intimidation, threat or procuring dismissal from employment, or otherwise, any person employed in the construction or repair of public buildings or public works, financed in whole or part in part by the Unites States, to give up any part of the compensation to which that person is entitled under a contract of employment.</i></p> <p>State Labor Standard Provisions: <i>All contractors and subcontractors are subject to the provisions of Section 3700 of the California Labor Code which requires that every employer be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the code.</i></p> <p><i>All contractors and subcontractors are subject to the provisions of Sections 1810-1814 of the California Labor Code which provide that the maximum hours a worker is to be employed is limited to eight hours a day and 40 hours a week and the contractor or subcontractor shall forfeit, as a penalty, \$25 for each worker employed in the execution of the contract for each calendar day during which a worker is required or permitted to labor more than eight hours in any calendar day or more than 40 hours in any calendar week and is not paid overtime.</i></p> <p><i>Section 1815 of the California Labor Code requires that notwithstanding the provisions of Sections 1810-1814, employees of contractors who work in excess of eight hours per day and 40 hours per week shall be</i></p>	X	X	X
--	---	---	---



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p><i>compensated for all hours worked in excess of eight hours per day at not less than 1-1/2 times the basic rate of pay.</i></p> <p><i>All primary contractors and subcontractors who are listed on a bid proposal for a public works project must be registered with the Department of Industrial Relations. This is in accordance with Labor Code section 1771.1(a). No primary contractor or subcontractor can be awarded a public works contract unless registered with the Department of Industrial Relations (Labor Code section 1725.5). Link for registration and additional information is provided below: Public Works Contractors (dir.ca.gov)</i></p>		
(E)	<p>Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708).</p> <p>Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.</p> <p><u>Sample language:</u></p> <p>Federal Labor Standard Provisions Section B – Contract Work Hours and Safety Standards Act.</p> <p><i>Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms “laborers” and “mechanics” include watchmen and guards.</i></p> <p><i>1. 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 shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.</i></p> <p><i>2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory),</i></p>	X	



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

(F)	<p><i>for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.</i></p> <p><i>3. Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.</i></p> <p><i>4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.</i></p> <p>State of California Labor Code § 1810 and §1811</p> <p><i>Contractor and subcontractors shall comply with Labor Code §1810 and §1811 which stipulates that eight-hour labor constitutes a legal day's work, and §1812 which stipulates that the contractor and subcontractors shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him in connection with the work performed under the terms of the contract. Failure to comply with these sections of the of the Labor Code will subject the contractors to penalty and forfeiture provisions of the Labor Code §1813.</i></p> <p>Rights to Inventions Made Under a Contract or Agreement.</p>			
------------	---	--	--	--



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

<p>If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.</p> <p>Sample language: Rights to Inventions. <i>If Supplier is a small business firm or nonprofit organization, and is providing experimental, development, or research work under this transaction, Supplier must comply with the requirements of 3 CFR Part 401, “Rights to Inventions Made by nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements”.</i></p> <p>Patent Rights. <i>The GRANTEE is the owner of all records and information created, produced, or generated as part of the services performed under this Agreement. GRANTEE is the owner of any invention or discovery that is produced during the time of this contract and related to the project. At any time during the term of this Agreement, at the request of County, Contractor and/or sub-contractor shall deliver to County all inventions, findings, writings, records, and information created or maintained pursuant to this Agreement. The term “writings” includes, but is not limited to, handwriting, typewriting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, symbols, electronic files or combinations thereof.</i></p> <p>Copyrights and rights in data. <i>This section is applicable to all Contracts and Subcontracts</i> (a) <i>Definitions. As used in this clause—</i></p> <p><i>“Data” means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.</i></p> <p><i>“Unlimited rights” means the rights of the GRANTEE to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others</i></p>	<p>X</p>	<p>X</p>	<p>X</p>
---	-----------------	-----------------	-----------------



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS				
	<i>to do so.</i>			
(G)	<p>Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended</p> <p>Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).</p> <p><u>Sample language:</u></p> <p><i>During the performance of this contract, the contractor and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended.</i></p> <p><i>In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall furnish to the owner, the following:</i></p> <ol style="list-style-type: none"> <i>1. A stipulation by the contractor or subcontractors, that any facility to be utilized in the performance of any non-exempt 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.</i> <i>2. Agreement by the contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 USC 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 USC 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 there under.</i> <i>3. 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.</i> <i>4. 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.</i> 	X	X	X
(H)	<p>Debarment and Suspension (Executive Orders 12549 and 12689)</p> <p>A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp.,</p>	X	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p>p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.</p> <p><u>Sample language:</u> <i>A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (XXX), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” XXX Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.</i></p>		
(I)	<p>Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)</p> <p>Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.</p> <p><u>Sample language:</u> Federal Lobbying Restrictions. <i>United States Code §1352, Title 31, United States Code prohibits Federal funds from being expended by the recipient or any lower tier sub recipient of a Federal-aid contract to pay for any person for influencing or attempting to influence a federal agency or Congress in connection with the awarding of any federal-aid contract, the making of any federal grant or loan, or the entering into of any cooperative agreement.</i> <i>If any funds other than federal funds have been paid for the same purposes in connection with this federal-aid contract, the recipient shall submit an executed certification and, if required, submit a completed disclosure form as part of the bid documents.</i></p>	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p><i>A certification for federal-aid contracts regarding payment of funds to lobby Congress or a federal agency is included in the proposal. Standard Form - LLL, "Disclosure of Lobbying Activities," with instructions for completion of the Standard Form is also included in the proposal. Signing the proposal shall constitute signature of the Certification.</i></p> <p><i>The above referenced certification and disclosure of lobbying activities shall be included in each subcontract and any lower-tier contracts exceeding \$100,000. All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the Engineer.</i></p> <p><i>The Contractor, subcontractors and any lower-tier contractors shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by the Contractor, subcontractors and any lower-tier contractors. An event that materially affects the accuracy of the information reported includes:</i></p> <ol style="list-style-type: none"> <i>1) A cumulative increase if \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action; or</i> <i>2) A change in the person(s) or individual(s) influencing or attempting to influence a covered federal action; or</i> <i>3) A change in the officer(s), employees(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.</i> 		
(J)	<p>See § 200.323 - Procurement of recovered materials.</p> <p>A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.</p> <p><u>Sample language:</u></p> <p><i>The Contractor must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procurement only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of</i></p>	X	



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p><i>competition, where the purchase of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.</i></p>		
(K)	<p>See § 200.216 - Prohibition on certain telecommunications and video surveillance services or equipment.</p> <p>(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:</p> <ul style="list-style-type: none"> (1) Procure or obtain; (2) Extend or renew a contract to procure or obtain; or (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). <ul style="list-style-type: none"> (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities). (ii) Telecommunications or video surveillance services provided by such entities or using such equipment. (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. <p>(b) In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement</p>	<p>X</p>	



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS				
	<p>equipment and services, and to ensure that communications service to users and customers is sustained.</p> <p>(c) See Public Law 115-232, section 889 for additional information.</p> <p>(d) See also § 200.471.</p> <p><u>Sample language:</u></p> <p><i>In the performance of this Agreement, Contractor is prohibited from using covered telecommunications equipment or services as a substantial or essential component of any system or as critical technology as part of any system. Unless otherwise set forth in Public Law 115-232, section 889, The term "covered telecommunications equipment or services" means any of the following:</i></p> <ol style="list-style-type: none"> 1. <i>Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).</i> 2. <i>For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).</i> 3. <i>Telecommunications or video surveillance services provided by such entities or using such equipment.</i> 4. <i>Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.</i> <p><i>The provisions in this section shall be included in all subcontracts.</i></p>			
(L)	<p>See § 200.322 - Domestic preferences for procurements.</p> <p>(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.</p> <p>(b) For purposes of this section:</p> <p>(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.</p>	X		



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p>(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.</p> <p><u>Sample language:</u></p> <p><i>In the performance of this Agreement, Contractor shall, as appropriate and to the greatest extent practicable, purchase, acquire, and/or use goods, products, and materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontracts.</i></p> <p><i>For purposes of this section:</i></p> <ol style="list-style-type: none"> 1. <i>"Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.</i> 2. <i>"Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.</i> 		
Requirements Under the Section 3 Final Rule, 24 CFR Part 75			
(M)	<p>§ 75.19 Requirements.</p> <p>(a) Employment and training.</p> <ol style="list-style-type: none"> (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located. (2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to: <ol style="list-style-type: none"> (i) Section 3 workers residing within the service area or the neighborhood of the project, and (ii) Participants in YouthBuild programs. <p>(b) Contracting.</p>	X	



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

<p>(1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.</p> <p>(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:</p> <ul style="list-style-type: none"> (i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and (ii) YouthBuild programs. <p>§ 75.21 Targeted Section 3 worker for housing and community development financial assistance.</p> <p>(a) Targeted Section 3 worker. A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:</p> <ul style="list-style-type: none"> (1) A worker employed by a Section 3 business concern; or (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years: <ul style="list-style-type: none"> (i) Living within the service area or the neighborhood of the project, as defined in § 75.5; or (ii) A YouthBuild participant. <p><u>Sample language:</u></p> <p><u>Section 3 Statement:</u> <i>This is a HUD Section 3 construction contract. Contractors and subcontractors must address the Section 3 employment work hours benchmarks for Section 3 Workers and Targeted Section 3 Workers as established by the U.S. Department of Housing and Urban Development at 24 CFR Part 75</i></p> <p><i>a. This is a Section 3 covered project. Section 3 projects mean housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds \$200,000. The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.</i></p> <p><i>b. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to</i></p>			
---	--	--	--



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

<p><i>ensure that employment and other economic opportunities generated by the U.S. Department of Housing and Urban Development (HUD) assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.</i></p> <p><i>c. The parties to this contract will comply with HUD's regulations as set forth in 24 CFR Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.</i></p> <p><i>d. The Section 3 requirements apply to all contractors and subcontractors performing work in connection with a Section 3 covered project. Contractor means any entity entering into a contract with (a) a recipient to perform work in connection with work in connection with a Section 3 project; or (b) a subrecipient for work in connection with a Section 3 project. Subcontractor means any entity that has a contract with a Contractor to undertake a portion of the contractor's obligation to perform work in connection with a Section 3 project.</i></p> <p><i>e. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of regulations under 24 CFR Part 75.</i></p> <p><i>f. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected, but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.</i></p> <p><i>g. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.</i></p> <p><i>h. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the Section 3 requirements of 24 CFR Part 75.</i></p>			
---	--	--	--



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS				
Other Requirements				
(N)	<p>Drug-Free Workplace. Contractor shall be required to certify that it provides a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988.</p> <p>Sample language: <i>Contractor, by signing this agreement, hereby certifies that it shall provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988, as amended. This requirement is applicable to all Contracts and Subcontracts of \$100,000 or more.</i></p>	X	X	X
(O)	<p>Child Support Compliance Act</p> <p><i>This section is applicable to all Contracts and Subcontracts of \$100,000 or more.</i></p> <p>The Child Support and Compliance Act states that entities entering into a contract with a state agency shall recognize the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code</p> <p>Sample Language: <i>Contractor acknowledges and agrees to the following: The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and</i></p> <p><i>The Contractor, to the best of their knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.</i></p>	X	X	X
(P)	<p>Reports:</p> <p>Subrecipients, Contractors and other recipients of HCD awarded grant funds shall incorporate into their agreements with any subrecipients, contractors, and subcontractors, language that requires the submittal of reports at specific intervals (monthly, quarterly, semi-annually, or annually) as required by the grant or as</p>	X	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

<p>requested by HCD. The reports shall collect information necessary for the subrecipient or contractor to report to HCD on:</p> <ul style="list-style-type: none"> the overall status of the grant; the status of performance measures; beneficiary characteristics as required by the grant; the overall financial status; program income received during the reporting period; and other information as requested by HCD. <p><u>Sample language based on Quarterly Reporting – but should be customized to allow grantee to collect reporting at whatever interval is needed to comply with HCD reporting requirements in the Standard Agreement:</u></p> <p><u>Quarterly Reports.</u> No later than ten (10) days after the end of each Quarter, Participant shall submit the following quarterly reports on forms approved by the grantee:</p> <p>(c) <i>Performance Reports.</i> A report on the summary of the Program Services and activities undertaken by Participant under this Agreement for the previous Quarter (“Performance Report”). The Performance Report shall, at a minimum, describe the status of the operation of the Program with respect to each Program Service required to be performed and met during that Quarter, progress toward achieving the Program-Specific Performance Measurements identified in the Program Performance Measurement Plan, costs incurred, funds remaining, a narrative explanation of problems, delays, or adverse conditions which impaired the ability of Participant to meet any obligations if any were not met, favorable developments which enabled Participant to satisfy obligations and meet objectives sooner or at less cost than anticipated or producing more beneficial results than planned, and any additional pertinent information related to contract performance.</p> <p>(d) <i>Client Characteristics.</i> A report on the number of clients served through the Program in the previous Quarter and on the characteristics of those clients with respect to gender, race, ethnicity, age, and family income, and any other basis for determining eligibility for participation in the Program.</p> <p>(e) <i>Program Income.</i> A report on the program income generated for the Quarter, if any. The report shall include a description of the expenditures of program income and a progress report for the activities funded by the program income if Participant is permitted to retain program income.</p> <p>(f) <i>Other Reports.</i> In addition to the reports referenced in this section, Participant shall, at such times and in such forms as required by HCD, prepare and submit to the grantee, such other reports concerning the performance of the Program Services, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement and compliance with CDBG Requirements, as grantee may reasonably require from time to time.</p>			
--	--	--	--



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
<p>(Q)</p>	<p>Energy Efficiency. The Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the California energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).</p> <p>Sample Language: <i>The Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the California energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).</i></p> <p><i>The Contractor is encouraged to implement green infrastructure policies to the extent practicable and is encouraged, where appropriate, to utilize construction methods that emphasize high quality, durability, energy efficiency, a healthy indoor environment, sustainability, and water or mold resistance, including how it will support adoption and enforcement of modern building codes and reduction of hazard risk, including possible sea level rise, storm surge, and flooding. All rehabilitation, reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, Resilience, and mitigating the impact of future disasters. Whenever feasible, Contractor should follow best practices such as those provided by the U.S. Department of Energy Home Energy Professionals: Professional Certifications and Standard Work Specifications.</i></p>	<p align="center">X</p>	
<p>(R)</p>	<p>Architectural Barriers Act and the Americans with Disabilities Act. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, people with physical disabilities.</p> <p>Sample Language: <i>The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, people with physical disabilities. A building or facility designed, constructed, or altered with funds allocated or reallocated under this subpart after November 21, 1996 and that meets the definition of residential structure as defined in 24 CFR 40.2, or the definition of building as defined in 41 CFR 101-19.602(a), is subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards. For general type buildings, these standards are in appendix A to 41 CFR part 101-19.6. For residential structures, these standards are available from the Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Disability Rights Division, Room 5240, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-2333 (voice) or (202) 708-1734 (TTY) (these are not toll-free numbers).</i></p>	<p align="center">X</p>	



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS				
(S)	<p>Section 504. The Contractor will comply with Section 504: Rehabilitation Act of 1974, Executive Order 11063 and all other Federal Rules and Regulations.</p> <p>Sample Language: <i>The Contractor will comply with Section 504: Rehabilitation Act of 1974, Executive Order 11063 and all other Federal Rules and Regulations. The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of their disability, be denied the benefits, or be subjected to discrimination including discrimination in employment, any program or activity that receives CDBG assistance.</i></p>			
(T)	<p>45 CFR 75.331 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247.</p> <p>Sample Language: <i>A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.</i></p>			
(U)	<p>Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC 4601 et seq.), 24 CFR Part 42 and 24 CFR §570.606 This Contract is subject to the requirements of Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC 4601 et seq.) and HUD implementing regulations at 24 CFR Part 42 and 24 CFR §570.606.</p> <p>Sample Language <i>This Contract is subject to the requirements of Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC 4601 et seq.) and HUD implementing regulations at 24</i></p>			X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p><i>CFR Part 42 and 24 CFR §570.606. The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B. Subrecipient shall not undertake any of the work contemplated under this Contract if relocation is involved without first obtaining written approval from Agency. Subrecipient shall inform affected persons of the relocation assistance policies and procedures set forth in the regulations at 24 CFR Part 42 and 24 CFR §570.606.</i></p>		
24 CFR Subpart I (Part 570.480-497) State Community Development Block Grant			
(V)	<p>§ 570.487 Other applicable laws and related program requirements. (3)Lead-Based Paint Poisoning Prevention Act. (Housing Only) States shall devise, adopt and carry out procedures with respect to CDBG assistance that fulfill the objectives and requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title.</p> <p>Sample Language: <i>Contractor shall carry out all work within the procedures established by the Grantee with respect to CDBG assistance that fulfill the objectives and requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title.</i></p>	X	X
(W)	<p>570.489(e)(3)(ii)(B) – Program Income Program income that is received and retained by the unit of general local government is treated as additional CDBG funds and is subject to all applicable requirements of this subpart, regardless of whether the activity that generated the program income has been closed out.</p> <p>Sample Language <i>Program Income is income to Subrecipient that is generated from the use of CDBG funds under this Contract. Program Income may include, without limitation, proceeds from the sale, rent or lease of real or personal property acquired with such CDBG funds, principal and interest payments on loans of such CDBG funds, and interest earned on other Program Income. Subrecipient shall report receipt of all Program Income and return all Program Income to the Agency.</i></p>		X
(X)	<p>570.489(j) – Reversion of Assets (Change of Use) The standards described in this section apply to real property within the unit of general local government's control (including activities undertaken by subrecipients) which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (2 CFR 200.88). These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of the unit of general local government's grant.</p>		X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS				
	<p>(1) A unit of general local governments may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, unless the unit of general local government provides affected citizens with reasonable notice of and opportunity to comment on any proposed change, and either:</p> <ul style="list-style-type: none"> (i) The new use of the property qualifies as meeting one of the national objectives and is not a building for the general conduct of government; or (ii) The requirements in paragraph (j)(2) of this section are met. <p>(2) If the unit of general local government determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (j)(1) of this section, it may retain or dispose of the property for the changed use if the unit of general local government's CDBG program is reimbursed or the State's CDBG program is reimbursed, at the discretion of the State. The reimbursement shall be in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property, except that if the change in use occurs after grant closeout but within 5 years of such closeout, the unit of general local government shall make the reimbursement to the State's CDBG program account.</p> <p>(3) Following the reimbursement of the CDBG program in accordance with paragraph (j)(2) of this section, the property no longer will be subject to any CDBG requirements.</p> <p><i>Sample Language</i> <i>Any real property under Subrecipient's control which was acquired or improved in whole or in part with CDBG funds in excess of \$25,000 must be either used to meet one of the national objectives in 24 CFR §570.483 for five years after completion of the Agency contract with the State, or disposed of in a manner that results in the Agency being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property.</i></p>			
(Y)	<p>570.490(b) Recordkeeping requirements. Unit of general local government's record. The State shall establish recordkeeping requirements for units of general local government receiving CDBG funds that are sufficient to facilitate reviews and audits of such units of general local government under §§ 570.492 and 570.493. For fair housing and equal opportunity purposes, whereas such data is already being collected and where applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.</p> <p>570.490(c) Access to records. (1) Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.</p>	X	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

	<p>(2) The State shall provide resident with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide residents with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.</p> <p>570.490(d) Record retention. Records of the State and units of general local government, including supporting documentation, shall be retained for the greater of three years from closeout of the grant to the state, or the period required by other applicable laws and regulations as described in § 570.487 and § 570.488.</p> <p>Sample Language: <i>Selected firm will keep adequate records and supporting documentation, which concern or reflect its services rendered under this agreement. Records subject to the provisions of California or local public records laws must be kept in accordance those laws, rules, or regulations.</i></p> <p><i>All records and documentation will be retained by selected firm until the Grantee has advised that records are no longer required to be stored. The Grantee or any duly authorized agents or representatives of the Grantee, has the right to audit, inspect, and copy all such records and documentation as often as they deem necessary during the period of this Agreement and during the post-agreement period noted above; provided, however such activity will be conducted only during normal business hours.</i></p> <p><i>Upon completion of or termination of this agreement, the selected firm may transfer, at no cost, to the Grantee all public records in possession of the selected firm related to the completion of the services rendered under this agreement and shall destroy duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Grantee in a format that is compatible with the information technology systems of the Grantee.</i></p>			
(Z)	<p>Nondiscrimination: The recipient must adhere to the following nondiscrimination provisions: The requirements of title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3600-20 (Fair Housing Act) and implementing regulations issued at subchapter A of title 24 of the Code of Federal Regulations; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; Executive Order 11063 and implementing regulations at 24 CFR part 107; and the Age Discrimination Act of 1975 and implementing regulations at 24 CFR part 146.</p>	X	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS

	<p><i>Sample Language:</i> <i>The Contractor shall conform with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall, on the basis of race, color, national origin, sex or religion or religious affiliation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through this Contract. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in the Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101 12213) or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) shall also apply to any such program or Project.</i></p>			
(AA)	<p>§ 570.602 Section 109 of the Housing and Community Development Act. Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6. <i>Sample Language:</i> The contractor shall affirm that no person on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Housing and Community Development Act. Furthermore, the Contractor shall not discriminate in any way on the basis of age or on the basis of disability.</p>	X	X	X
(AB)	<p>§ 570.489(h) Conflict of Interest. Interest of Members, Officers, or Employees of the Recipient, Members of Local Governing Body, or Other Public Officials. No member, officer, or employee of the recipient, subrecipient, or its agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any financial 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. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. This provision shall be incorporated in all such contracts or subcontracts.</p>			X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS			
	<p><i>Sample Language</i> No member, officer, or employee of the recipient, subrecipient, or its agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any financial 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. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. This provision shall be incorporated in all such contracts or subcontracts.</p>		
Socioeconomic Affirmative Requirements			
(AC)	<p>§ 200.321 Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms.</p> <p>a. The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.</p> <p>b. Affirmative steps must include:</p> <ol style="list-style-type: none"> 1) Establishing delivery and fee schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises; 2) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and 3) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section. <p><u>Sample language:</u> <i>If subcontracts are to be let, Contractor must take the following affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible:</i></p> <ol style="list-style-type: none"> 1. <i>Placing qualified small and minority businesses and women's business enterprises on solicitation lists;</i> 	X	X



Appendix 5-8 Required Contract Provisions

REQUIRED CONTRACT PROVISIONS				
	<ol style="list-style-type: none"> 2. <i>Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;</i> 3. <i>Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;</i> 4. <i>Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and</i> 5. <i>Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.</i> 			