

SERVICE AGREEMENT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
MERCY HOUSE LIVING CENTERS
FOR
OPERATIONS AND MANAGEMENT OF A TEMPORARY SHELTER

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as "CITY," and MERCY HOUSE LIVING CENTERS, a California public benefit corporation, hereinafter referred to as "SERVICE PROVIDER."

WHEREAS, CITY desires to engage the services of a SERVICE PROVIDER to operate and manage a Temporary Shelter; and

SERVICE PROVIDER has been selected to perform these services based upon the professional and demonstrated skills SERVICE PROVIDER possesses in the field of operating and managing Temporary Shelters; and

SERVICE PROVIDER has been selected to perform these services pursuant to Huntington Beach Municipal Code Chapter 3.02.

NOW, THEREFORE, it is agreed by CITY and SERVICE PROVIDER as follows:

1. SCOPE OF SERVICES

A. SERVICE PROVIDER shall provide all services as described in **Exhibit "A"**, Huntington Beach Navigation Center Management, Operations and Public Safety Plan which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "PROJECT." The City may require modifications to the Huntington Beach Navigation Center Management, Operations and Public Safety Plan as deemed appropriate.

B. SERVICE PROVIDER hereby designates Larry Haynes, Executive Director, who shall represent it and be its sole contact and agent in all consultations with CITY during the

performance of this Agreement. SERVICE PROVIDER warrants that all persons employed to provide service under this Contract have satisfactory education, training, experience, and work records indicating their ability to adequately perform the work under this Agreement. The CITY'S Project Manager, in consultation and agreement with the City Manager, shall have the right to require the removal and replacement of the SERVICE PROVIDER'S Project Manager and key personnel. The CITY'S Project Manager shall notify the SERVICE PROVIDER in writing of such action. The SERVICE PROVIDER shall accomplish the removal within three (3) business days after written notice from the CITY'S Project Manager. The CITY is not required to provide any additional information, reason or rationale in the event it requires the removal of SERVICE PROVIDER'S Project Manager from providing further Services under the Agreement.

While performing this Agreement, SERVICE PROVIDER will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor SERVICE PROVIDER's services. CITY will notify SERVICE PROVIDER of any deficiencies and SERVICE PROVIDER will have thirty (30) days after such notification to cure any shortcomings to CITY's satisfaction. Costs associated with curing the deficiencies will be borne by SERVICE PROVIDER.

SERVICE PROVIDER will, at its cost and in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of SERVICE PROVIDER by this Agreement, including but not limited to obtaining and maintaining all necessary permits, licenses and certificates that may be required in connection with performance of the services contemplated herein.

SERVICE PROVIDER will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with SERVICE PROVIDER in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of SERVICE PROVIDER are to commence on October 1, 2025 (the "Commencement Date"). This Agreement shall automatically terminate on June 30, 2026, unless extended or sooner terminated as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, and except as otherwise provided, CITY agrees to pay SERVICE PROVIDER on a time and materials basis for the operation of the PROGRAM specified in **Exhibit "A,"** which is attached hereto and incorporated by reference into this Agreement, a fee, including all costs and expenses, not to exceed Two Million Five Hundred Twenty Eight Thousand Seven Hundred Fifteen Dollars and Thirteen Cents (\$2,528,715.13) to the SERVICE PROVIDER for the 2025-2026 fiscal year (starting October 1, 2025 and ending June 30, 2026) as described in Exhibit "B."

5. FAMILIARITY WITH WORK

By executing this Agreement, SERVICE PROVIDER agrees that it has carefully investigated and considered the scope of services to be performed. Carefully considered how the services should be performed; and understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

If services involve work upon any site, SERVICE PROVIDER agrees that SERVICE PROVIDER has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should SERVICE PROVIDER discover any latent or unknown conditions that may materially affect the performance of the services, SERVICE PROVIDER will immediately inform CITY of such fact and will not proceed except at SERVICE PROVIDER's own risk until written instructions are received from CITY.

6. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the scope of services described in **Exhibit "A"**, SERVICE PROVIDER will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained. If SERVICE PROVIDER believes Additional Work is needed to complete the Scope of Work, SERVICE PROVIDER will provide City with written notification that contains a specific description of the proposed Additional Work, reasons for such Additional Work, and a detailed proposal regarding cost. However, no such Additional Work will be undertaken without prior written approval from the CITY.

7. METHOD OF PAYMENT

The City shall reimburse the SERVICE PROVIDER for program costs related to eligible for the period beginning October 1, 2025 and ending June 30, 2026. The City shall not provide any payments/reimbursements in advance of actual expenditures by the SERVICE PROVIDER. The SERVICE PROVIDER shall submit to the City a monthly "Reimbursement Request" within thirty (30) calendar days after the end of each month with the final report for 2025-2026 fiscal year delivered by July 30, 2026. The reimbursement requests shall include documentation to verify that the expenditure of funds is consistent with the project

description/definition as approved. Prior to reimbursing the recipient, the City will verify that the recipient has met all applicable regulations for the project.

Payroll records, time sheets, receipts, paid invoices including an itemized statement of all costs are samples of appropriate methods of reimbursement documentation.

8. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

SERVICE PROVIDER agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to CITY, and SERVICE PROVIDER shall turn these materials over to CITY upon expiration or termination of this Agreement or upon PROJECT completion, whichever shall occur first. These materials may be used by CITY as it sees fit.

9. HOLD HARMLESS

A. SERVICE PROVIDER hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with SERVICE PROVIDER's (or SERVICE PROVIDER's subcontractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by SERVICE PROVIDER, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. SERVICE PROVIDER will conduct all defense at its sole cost and expense and CITY shall approve selection of SERVICE PROVIDER's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable.

The policy limits do not act as limitation upon the amount of indemnification to be provided by SERVICE PROVIDER.

B. To the extent that SERVICE PROVIDER performs “Design Professional Services” within the meaning of Civil Code Section 2782.8, then the following Hold Harmless provision applies in place of subsection A above:

SERVICE PROVIDER hereby agrees to protect, defend, indemnify and hold harmless CITY and its officers, elected or appointed officials, employees, agents and volunteers, from and against any and all claims, damages, losses, expenses, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) to the extent that the claims against SERVICE PROVIDER arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of SERVICE PROVIDER. In no event shall the cost to defend charged to SERVICE PROVIDER exceed SERVICE PROVIDER’s proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more other defendants to the claims and/or litigation is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, SERVICE PROVIDER shall meet and confer with CITY and other defendants regarding unpaid defense costs. The duty to indemnify, including the duty and the cost to defend, is limited as provided in California Civil Code Section 2782.8.

C. Regardless of whether subparagraph A or B applies, CITY shall be reimbursed by SERVICE PROVIDER for all costs and attorney’s fees incurred by CITY in enforcing this obligation. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by SERVICE PROVIDER.

10. WORKERS COMPENSATION INSURANCE

Pursuant to California Labor Code Section 1861, Service Provider acknowledges awareness of Section 3700 *et seq.* of this Code, which requires every employer to be insured against liability for workers' compensation; Service Provider covenants that it will comply with such provisions prior to commencing performance of the work hereunder.

Service Provider shall obtain and furnish to City workers' compensation and employer's liability insurance in an amount of not less than the State statutory limits.

Service Provider shall require all subcontractors to provide such workers' compensation and employer's liability insurance for all of the subcontractors' employees. Service Provider shall furnish to City a certificate of waiver of subrogation under the terms of the workers' compensation and employer's liability insurance and Service Provider shall similarly require all subcontractors to waive subrogation.

11. GENERAL LIABILITY INSURANCE

In addition to the workers' compensation and employer's liability insurance and Service Provider's covenant to defend, hold harmless and indemnify City, Service Provider shall obtain and furnish to City, a policy of general public liability insurance, including motor vehicle coverage covering the Project/Service. This policy shall indemnify Service Provider, its officers, employees and agents while acting within the scope of their duties, against any and all claims arising out of or in connection with the Project/Service, and shall provide coverage in not less than the following amount: combined single limit bodily injury and property damage, including products/completed operations liability and blanket contractual liability, of One Million Dollars (\$1,000,000) per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the aggregate limit must be no less than One Million Dollars (\$1,000,000) per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the

aggregate limit must be no less than One Million Dollars (\$1,000,000) for this Project/Service. This policy shall name City, its officers, elected or appointed officials, employees, agents, and volunteers as Additional Insureds, and shall specifically provide that any other insurance coverage which may be applicable to the Project/Service shall be deemed excess coverage and that Service Provider's insurance shall be primary.

Under no circumstances shall said above-mentioned insurance contain a self-insured retention, or a "deductible" or any other similar form of limitation on the required coverage greater than \$5,000.

12. AUTOMOBILE LIABILITY INSURANCE

Service Provider shall obtain and furnish to City an automotive liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for Service Provider's automotive liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and a separate "Additional Insured Endorsement" page listing both the policy number and naming the "*City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers*" as additional insured on the endorsement. The above-mentioned insurance shall not contain a self-insured retention, "deductible" or any similar form of limitation on the required coverage except with the express written consent of City.

13. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, Service Provider shall furnish to City a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- a. provide the name and policy number of each carrier and policy;
- b. state that the policy is currently in force; and

- c. promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

Service Provider shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by City.

This requirement for carrying the foregoing insurance coverage shall not derogate from Service Provider's defense, hold harmless and indemnification obligations as set forth in this Agreement. City or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. Service Provider shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

SERVICE PROVIDER will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, SERVICE PROVIDER agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If SERVICE PROVIDER fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with required proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not effect SERVICE PROVIDER's right to be paid for its time and materials expended prior to notification of termination. SERVICE PROVIDER waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

14. INDEPENDENT CONTRACTOR

SERVICE PROVIDER is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. SERVICE PROVIDER shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for SERVICE PROVIDER and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

16. CONFLICT OF INTEREST

SERVICE PROVIDER covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

17. TERMINATION OF AGREEMENT

All work required hereunder shall be performed in a good and workmanlike manner. CITY may terminate SERVICE PROVIDER's services hereunder with cause, and whether or not the PROJECT is fully complete. In the event of termination for cause, for reasons other than health and safety, the City at its sole discretion may allow SERVICE PROVIDER 30 days to cure. The City will provide notice of for cause termination and the 30 day window to cure shall begin upon receipt of notice as such receipt of notice is provided herein. City at its sole discretion shall determine whether or not the cure was effected and whether or not to terminate this Agreement within the 30 day window. In the event the City provides notice of termination for health and safety reasons, the City may at its sole discretion terminate this Agreement immediately by providing notice to SERVICE PROVIDER. Any termination of this Agreement by CITY shall be made in writing, notice of which shall be delivered to SERVICE PROVIDER as provided herein. In the event of

termination, all finished and unfinished documents, exhibits, report, and evidence shall, at the option of CITY, become its property and shall be promptly delivered to it by SERVICE PROVIDER.

18. EXCLUSIVITY AND AMENDMENT

This Agreement represents the complete and exclusive statement between the City and SERVICE PROVIDER, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of SERVICE PROVIDER. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate SERVICE PROVIDER or the City. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein.

19. ASSIGNMENT AND DELEGATION

This Agreement is a service agreement and the work hereunder shall not be assigned, delegated or subcontracted by SERVICE PROVIDER to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subcontract providers must satisfy the insurance requirements as set forth in Sections 10 through 13 hereinabove.

20. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this Agreement.

21. CITY EMPLOYEES AND OFFICIALS

SERVICE PROVIDER shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

22. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to SERVICE PROVIDER's agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and SERVICE PROVIDER may designate different addresses to which subsequent notices, certificates or other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U. S. certified mail-return receipt requested:

TO CITY:

City of Huntington Beach
ATTN: Travis Hopkins, City Manager
2000 Main Street
Huntington Beach, CA 92648
thopkins@surfcity-hb.org
jvillasenor@surfcity-hb.org

TO SERVICE PROVIDER:

Mercy House
ATTN: Larry Haynes, Executive Director
PO Box 1905
Santa Ana, CA 92702
larryh@mercyhouse.net
timothyh@mercyhouse.net

23. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transaction or event.

24. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

25. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

26. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

27. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

28. IMMIGRATION

SERVICE PROVIDER shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

29. LEGAL SERVICES SUBCONTRACTING PROHIBITED

SERVICE PROVIDER and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. SERVICE PROVIDER understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services expenses incurred by SERVICE PROVIDER.

30. CONFIDENTIALITY

SERVICE PROVIDER recognizes that in the performance of its duties under this Agreement, it must conduct its activities in a manner designed to protect information of a sensitive nature from improper use or disclosure. SERVICE PROVIDER warrants that it will use reasonable efforts consistent with practices customary in the facilities management industry in recruiting, training and supervising employees and in otherwise performing its duties hereunder in order to achieve this result. In the furtherance of this, SERVICE PROVIDER agrees, at the request of the City, to require its employees to execute written undertakings to comply with the foregoing confidentiality provision.

31. JURISDICTION – VENUE

This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed and construed in accordance with the laws of the State of California. This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be

determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

32. PROFESSIONAL LICENSES

SERVICE PROVIDER and all subcontractors of the SERVICE PROVIDER shall, through the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, insurance, certifications, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Huntington Beach and all other governmental agencies. SERVICE PROVIDER shall notify the City within 24 hours and in writing of their, or other subcontractor's, inability to obtain or maintain such licenses, permits approvals, waivers, insurance, certifications, and exemptions. Said inability of the SERVICE PROVIDER shall be cause for termination of the subcontractor's services at the Navigation Center.

33. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the non-prevailing party.

34. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

35. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

36. SIGNATORIES

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

37. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

38. CONSISTENCY

In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions.

39. EQUAL EMPLOYMENT OPPORTUNITY.

SERVICE PROVIDER shall comply with U.S. 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) and applicable State of California regulations as

may now exist or be amended in the future. The SERVICE PROVIDER shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, ancestry, religion, sex, marital status, political affiliation or physical or mental condition. Regarding handicapped persons, the SERVICE PROVIDER will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The SERVICE PROVIDER agrees to provide equal opportunity to handicapped persons in employment or in advancement in employment or otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicaps in all employment practices such as the following: employment, upgrading, promotions, transfers, recruitments, advertising, layoffs, terminations, rate of pay or other forms of compensation, and selection for training, including apprenticeship. The SERVICE PROVIDER agrees to comply with the provisions of Sections 503 and 504 of the Rehabilitation Act of 1973, as amended, pertaining to prohibition of discrimination against qualified handicapped persons in all programs and/or activities as detailed in regulations signed by the Secretary of the Department of Health and Human Services effective June 3, 1977, and found in the Federal Register, Volume 42, No. 68 dated May 4, 1977, as may now exist or be amended in the future.

Regarding Americans with disabilities, SERVICE PROVIDER agrees to comply with applicable provisions of Title 1 of the Americans with Disabilities Act enacted in 1990 as may now exist or be amended in the future.

40. AUDIT OF RECORDS.

As the recipient of CDBG and other federal grant funding, SERVICE PROVIDER shall, at minimum, maintain the following records and reports to assist the City in complying with its record keeping requirements.

- a) Documentation of the income level, ethnicity, age of persons and/or households participating in or benefiting from the SERVICE PROVIDER's program;
- b) Documentation of the number of persons and/or households participating in or benefiting from the SERVICE PROVIDER's program;
- c) Documentation of all CDBG-related funds received from the City;
- d) Documentation of expenses as identified in the quarterly report and reimbursement requests;
- e) Documentation of how and when a determination was made as to the eligibility status of persons assisted, and
- f) Any such other related records as the City shall require.

41. REPORTING REQUIREMENTS

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER shall submit "Quarterly Accomplishment Reports" within fifteen (15) calendar days of the end of the quarter (October 15, January 15, April 15 and July 15). The final quarterly report is due no later than July 15, 2026. Quarterly reports shall be provided by the SERVICE PROVIDER to the City indicating the number of persons assisted, income and ethnicity of persons assisted, how/what assistance was provided, and a description of how and when determination of eligibility status was made for persons assisted. The report must include sufficient information to assist the City in monitoring the SERVICE PROVIDER's performance. The SERVICE PROVIDER must demonstrate satisfactory performance prior to reimbursement for expenditures.

42. RECORD RETENTION

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER shall maintain all records subject to an audit finding must be retained for five (5) years from the date the

finding is made or until the finding has been cleared by appropriate officials and the SERVICE PROVIDER has been given official written notice.

43. GRANT CLOSEOUT PROCEDURES

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER acknowledges the SERVICE PROVIDER's obligation to the City shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent case advances, program income balances, and accounts receivable to the City), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SERVICE PROVIDER has control over CDBG-related funds, including program income.

44. GENERAL PRINCIPLES

SERVICE PROVIDER shall, comply with generally accepted accounting principles and good business practices, including all applicable cost principles published by the Federal Office of Management and Budget (OMB), including 2 CFR 200 -UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS "The Uniform Guidance", which can be viewed at https://www.ecfr.gov/cgi-in/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. SERVICE PROVIDER shall comply with all federal, State and other funding source requirements. SERVICE PROVIDER shall, at its own expense, furnish all cost items associated with this Agreement except as herein otherwise specified in the budget or elsewhere to be furnished by CITY. SERVICE PROVIDER shall submit annually to the CITY a cost allocation plan in accordance with The Uniform Guidance. SERVICE PROVIDER shall retain financial records, supporting documents, statistical records, and all

other records pertinent to the proposed services for a period of a minimum of five (5) years from the expiration of the term of the Master Agreement.

SERVICE PROVIDER shall take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive or is considered sensitive consistent with laws regarding privacy and responsibility over confidentiality.

SERVICE PROVIDER shall also certify that none of the proposed equipment or services are produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); or produced by an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country in accordance with 2 CFR 200.216.

In order to ensure objective SERVICE PROVIDER performance and eliminate unfair competitive advantage, SERVICE PROVIDER must certify that they did not assist in the development of draft specifications, requirements, statements of work, or invitations for bids or requests for proposals for the project.

45. COMPLIANCE WITH LAWS AND REGULATIONS

SERVICE PROVIDER shall at all times perform its obligations hereunder in compliance with all applicable Federal, State, County, and local laws, rules and regulations, current and hereinafter enacted, including facility and professional licensing and/or certification laws and keep in effect any and all licenses, permits, notices and certificates as are required. SERVICE PROVIDER shall further comply with all laws applicable to wages and hours of employment, occupational safety, and to fire safety, health and sanitation.

46. AFFIRMATIVE ACTION

Each SERVICE PROVIDER and subcontractor of services and supplies employing fifteen (15) or more full-time permanent employees, shall comply with all Affirmative Action Programs required by Federal or State law.

47. NON DISCRIMINATION

SERVICE PROVIDER shall comply with the provisions of Title VII of the Civil Rights Act of 1964 in that it will not discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment nor shall SERVICE PROVIDER discriminate in any way that would deprive or intend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, national origin, age, handicap, disability, medical condition, sexual orientation, gender identity, or marital status. These actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

SERVICE PROVIDER shall ensure that services and facilities are provided without regard to ethnic group identification, race, color, national origin, creed, religion, age, sex, physical or mental disability, political affiliation, or marital status in accordance with applicable laws, including, but not limited to, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200-d); Section 162 (a) of the Federal-Aid Highway Act of 1973 (23 U.S.C. 324); Section 504 of the Rehabilitation Act of 1973; the Civil Rights Restoration Act of 1987 (P.L. 100-209); Executive Order 12898 (February 11, 1994); Executive Order 13166 (August 16, 2000); Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000-d); the Age Discrimination Act of 1975 (42 U.S.C. 6101); Article 9.5, Chapter 1, Part 1, Division 2, Title 2 (Section 11135, et seq) of the California Government Code;

Title 9, Chapter 4, Subchapter 6 (Section 10800, et seq) of the CCR and California Department of Social Services Manual of Policies and Procedures (CDSS MPP) Division 21.

SERVICE PROVIDER shall ensure that proposed activities be accomplished in an equitable and impartial manner so that no person shall be excluded because of race, color, gender, or national origin from participation in, or be denied the benefits, or any program or activity for which federal financial assistance is received (31 CFR Part 22).

48. MBE and WBE CERTIFICATION FOR FEDERAL-AID CONTRACTS

It is the policy of the City to encourage the participation of disadvantaged, minority and women-owned business enterprises in the City's procurement process.

SERVICE PROVIDER agrees to use its best efforts to carry out this policy when sourcing the use of outside SERVICE PROVIDERs, advisors and contractors to the fullest extent practicable, consistent with the efficient performance of a contract. SERVICE PROVIDER may rely on written representations by SERVICE PROVIDERs, advisors and contractors regarding their status. SERVICE PROVIDER shall report to the City the names of all SERVICE PROVIDERs, advisors and contractors hired for the proposed services and information on whether or not they are a disadvantaged, minority or women-owned business enterprise, as defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

SERVICE PROVIDER shall, in accordance with 2 CFR 200.321, take affirmative steps to include minority business, women's business enterprises, and labor surplus area firms when sourcing the use of outside SERVICE PROVIDERs, advisors, and contractors for a contract by:

- (a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (b) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;

- (c) 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;
- (d) Establishing delivery schedules, where the requirements permit, which encourage participation by small and minority businesses and women's business enterprises; and
- (e) 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.

49. DOMESTIC PREFERENCE CERTIFICATION FOR FEDERAL-AID CONTRACTS

It is the policy of the City to encourage 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.

SERVICE PROVIDER agrees to use its best efforts to comply with 2 CFR 200.322 to the fullest extent possible consistent with the efficient performance of a contract.

50. BYRD ANTI-LOBBYING AMENDMENT

SERVICE PROVIDER shall file Standard Form-LLL, "Disclosure Form to Report Lobbying," to certify 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. SERVICE PROVIDER shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award by SERVICE PROVIDER or SERVICE

PROVIDER's Subcontractors. In accordance with 31 U.S.C. 1352, SERVICE PROVIDER shall also 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. SERVICE PROVIDER shall include this provision in all subcontracts and require each of its subcontractors to comply with the certification and disclosure requirements of this provision.

51. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

SERVICE PROVIDER agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. SERVICE PROVIDER agrees to report each violation to the USDA and the appropriate EPA Regional Office.

SERVICE PROVIDER agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251 et seq.). SERVICE PROVIDER agrees to report each violation to the USDA and the appropriate EPA Regional Office.

52. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS (PRIMARY COVERED TRANSACTIONS)

The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State

antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.

Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this certification.

Indicate to whom it applies, initiating agency, and dates of action.

53. PROCUREMENT OF RECOVERED MATERIALS

SERVICE PROVIDER shall comply with 2 CFR part 200.322. SERVICE PROVIDER shall procure 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. SERVICE PROVIDER certifies that the percentage of recovered materials to be used in the performance of this Agreement will be at least the amount required by applicable specifications or other contractual requirements. For contracts over \$100,000 in total value, SERVICE PROVIDER shall estimate the percentage of total material utilized for the performance of the Agreement that is recovered materials and shall provide such estimate to CITY upon request.

54. AUDIT AND INSPECTION

SERVICE PROVIDER agrees to maintain and/or make available within the CITY accurate books and accounting records relative to all its activities under this Agreement. Authorized

federal, State or County representatives shall have the right to monitor, assess, or evaluate SERVICE PROVIDER's performance pursuant to this Agreement, said monitoring, assessments, or evaluations to include but not limited to audits, inspection of premises, reports, and interviews of project staff and participants. SERVICE PROVIDER assertions of confidentiality shall not be a bar to full access to the records.

55. UNIFORM ADMINISTRATIVE AND PROGRAM MANAGEMENT STANDARDS

As the recipient of CBDG funds, SERVICE PROVIDER shall comply with applicable Uniform Administrative Requirements as described in Section 570.502 of the federal regulations for the CDBG Program. The Federal requirements are incorporated herein by reference.

56. USE AND REVERSION OF ASSETS

As the recipient of CBDG and other federal grant funds, SERVICE PROVIDER acknowledges upon expiration of this Agreement, the SERVICE PROVIDER shall transfer to the City any CDBG or federal grant funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG and federal grant funds. The SERVICE PROVIDER shall be required to use any real property under the SERVICE PROVIDER's control that was acquired or improved in whole or in part with CDBG and federal grant funds in excess of \$25,000 as follows:

- a) Used to meet one of the National Objectives in 24 CFR, Section 570.208 until five (5) years after expiration of this Agreement; or
- b) Disposed of in a manner that results in the City being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditure of the non-CDBG or federal grant funds for acquisition or improvement to the property, Reimbursement is not required after the period of time specified in paragraph (a) of this section.

57. REAL PROPERTY

As the recipient of CDBG and federal grant-related funds, SERVICE PROVIDER acknowledges the use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

The SERVICE PROVIDER shall transfer to the City any CDBG or federal grant-related funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

Real property under the SERVICE PROVIDER's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 580.208 until five (5) years after expiration of this Agreement [or such longer period of time as the City deems appropriate]. If the SERVICE PROVIDER fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the recipient shall pay to the City an amount equal to 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. Such payment shall constitute program income to the City. The SERVICE PROVIDER may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as the City deems appropriate].

In all cases in which equipment acquired, in whole or in part, with funds under this Agreement, is sold, the proceed shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the SERVICE PROVIDER for activities under this Agreement shall be (a) transferred to the City for CDBG program or (b) retained after compensating the City [an amount equal to the current fair

market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

58. SUSPENSION AND TERMINATION

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER acknowledges in accordance with Title 24, Sections 85.43 and 85.44 of the Code of Federal Regulations, this Agreement may be suspended or terminated if the SERVICE PROVIDER fails to comply with any term(s) of the award and/or the award is terminated for convenience. Title 24, Sections 85.43 and 85.44 of the Code of Federal Regulations are incorporated herein by reference as provisions of this Agreement.

59. COMPLIANCE WITH LAWS AND REGULATIONS

As the recipient of CBDG-related funds, SERVICE PROVIDER agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG) including subpart K except that:

- a) The SERVICE PROVIDER will not assume the City's environmental responsibilities as described in Section 570.604; and
- b) The SERVICE PROVIDER will not assume the City's responsibility for initiating the review process required under the provisions of 24 CFR Part 52.

The SERVICE PROVIDER also agrees to comply with all other applicable Federal, State and local laws, regulations, and policies governing the funds provided under this contract. The SERVICE PROVIDER further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

60. FINANCIAL MANAGEMENT

Accounting Standards. As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

Cost Principles. As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

61. AUDIT REQUIREMENT

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER acknowledges if the recipient shall receive more than \$300,000 in total federal funds in one fiscal year from the City of Huntington Beach and/or any other city or agency, the SERVICE PROVIDER is required to submit a Single Audit Report. As required by the Federal Single Audit Act, the recipient shall be required to submit to the City, a comprehensive financial audit prepared by an independent, neutral third-party auditor. The audit shall cover financial operations of the SERVICE PROVIDER for the period beginning July 1, 2025 and ending June 30, 2026 and is due no later than one year after expiration of this Agreement.

62. RELIGIOUS AND LOBBYING ACTIVITIES

Religious Activities. As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER agrees that funds provided under this contract will not be utilized for religious activities or to promote religious interests. Religious entities may use CDBG and other federal

grant funds for secular activities only in accordance with the Federal regulations specified in 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

Lobbying. The SERVICE PROVIDER hereby certifies that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- (3) It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all recipients shall certify and disclose accordingly:

Lobbying Certification. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification

is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

63. BUDGET MODIFICATIONS

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER acknowledges if the SERVICE PROVIDER desires to modify the use of the CDBG and other federal grant funds following approval of this agreement, a written request must be submitted to the City for review. No change in use of the CDBG and other federal grant funds will be permitted without prior written approval by the City, subject to the provisions of the City's adopted Citizen Participation Plan.

64. PERFORMANCE MONITORING

The City will monitor the performance of the SERVICE PROVIDER against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the SERVICE PROVIDER within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

65. CONFLICT OF INTEREST

As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

The SERVICE PROVIDER shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

No employee, officer or agent of the SERVICE PROVIDER shall participate in the

selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG and other federal grant activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG and other federal grant activity, or with respect to the proceeds from the CDBG and other federal grant activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the SERVICE PROVIDER, or any designated public agency.

66. PROCUREMENT STANDARDS AND METHODS

Compliance. As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.), shall revert to the City upon termination of this Agreement.

OMB Standards. Unless specified otherwise within this agreement, the SERVICE PROVIDER shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-48.

Travel. The SERVICE PROVIDER shall obtain written approval from the City for any travel outside the metropolitan area with funds provided under this agreement.

67. ENVIRONMENTAL ISSUES

1) Air and Water. As the recipient of CDBG and other federal grant funds, SERVICE PROVIDER agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- a) Clean Air Act, 42 U.S.C., 7401, *et seq.*;
- b) Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- c) Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

2) Flood Disaster Protection. In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the SERVICE PROVIDER shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

3) Lead-Based Paint. The SERVICE PROVIDER agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based

paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

4) Historic Preservation. The SERVICE PROVIDER agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

68. ACKNOWLEDGEMENT

By executing this Agreement, SERVICE PROVIDER represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. SERVICE PROVIDER represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private SERVICE PROVIDERS, and experience in dealing with public agencies all suggest that SERVICE PROVIDER is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

69. DRUG-FREE WORKPLACE

SERVICE PROVIDER shall comply with the Drug-Free Workplace requirements of 24 CFR Part 5.105(d).

70. REPAIRS AND FIXTURES

All installation and repairs to the PROGRAM facility (Navigation Center), including repairs and installation of fixtures, materials, furnishings, or equipment, shall be work performed and provided for by the SERVICE PROVIDER. Any repairs or installation of fixtures or modifications to the PROGRAM facility that exceed \$1,000 in total cost, the SERVICE PROVIDER shall seek approval from the CITY prior to the implementation of the repair or installation to the PROGRAM facility.

71. COMPLAINTS AND DISPUTES

In the event a complaint is made, either verbally or in writing, by a Navigation Center resident against any Navigation Center employee, Navigation Center subcontractor or Navigation Center volunteer, SERVICE PROVIDER will notify CITY'S Homeless Services Manager in writing within 72 hours of receipt of the complaint. The notification must contain the name and title of all parties involved and a complete and accurate description of the complaint. The name of the complainant may be replaced with a unique identifier to protect client confidentiality.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by
and through their authorized officers.

SERVICE PROVIDER,
MERCY HOUSE LIVING CENTERS

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: 
Larry Haynes, CEO

print name

ITS: (circle one) Chairman/President/Vice
President

City Manager

INITIATED AND APPROVED:

AND

Director of Community Development

By: _____

print name

ITS: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary - Treasurer

REVIEWED AND APPROVED:

City Manager

APPROVED AS TO FORM:



City Attorney

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by
and through their authorized officers.

SERVICE PROVIDER,
MERCY HOUSE LIVING CENTERS

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: Patricia Long
Patricia Long, Deputy CEO

print name

ITS: (circle one) Chairman/President/Vice
President

AND

By: _____

print name

ITS: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary - Treasurer

City Manager

INITIATED AND APPROVED:

Director of Community Development

REVIEWED AND APPROVED:

City Manager

APPROVED AS TO FORM:


City Attorney

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by
and through their authorized officers.

SERVICE PROVIDER,
MERCY HOUSE LIVING CENTERS

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: _____

City Manager

print name

ITS: (circle one) Chairman/President/Vice
President

INITIATED AND APPROVED:

AND



Director of Community Development

By: _____

print name

ITS: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary - Treasurer

REVIEWED AND APPROVED:



City Manager

APPROVED AS TO FORM:



City Attorney

EXHIBIT A

**City of Huntington Beach
Navigation Center**

**Management, Operations,
and Public Safety Plan (MOPS)**

Prepared August 2025

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I. INTRODUCTION

A. Purpose

This Navigation Center Management Plan outlines the operational, staffing, and service delivery framework for the City's contracted homeless shelter facility ("Navigation Center"). It serves two primary purposes:

1. **Operational Blueprint:** To provide a clear and comprehensive description of the policies, procedures, staffing structure, and service protocols that the Service Provider will follow in managing the Navigation Center.
2. **Contract Scope of Work:** To define the expectations, responsibilities, and performance standards that the City requires of the Service Provider under the professional services agreement. This includes requirements for safety, shelter operations, case management, client services, staffing, training, data management, and reporting.

This document is incorporated into the Service Provider's agreement with the City and shall be used by City staff to monitor compliance, evaluate performance, and resolve disputes. When questions arise regarding whether a duty or expectation exists, this document shall be referenced in conjunction with the City's agreement to determine contract compliance.

The plan is designed to promote a safe, humane, and respectful shelter environment that supports each client's path toward housing, employment, and wellness. It reflects best practices in shelter operations and case management while remaining practical for implementation in a municipal setting.

B. Service Provider Obligations

The Service Provider shall operate the Navigation Center in full compliance with this Management Plan and Scope of Work and all applicable local, state, and federal laws. Obligations include but are not limited to the following:

- **Safe Operations:** Maintain a clean, orderly, and safe environment for clients, staff, volunteers, and visitors.
- **Housing-Focused Services:** Deliver a low-barrier, housing-focused shelter program with individualized service plans and consistent engagement to support each client's transition to permanent housing.
- **Professional Staffing:** Employ trained, qualified staff to support shelter operations, client services, security, and data management, with clear lines of supervision and accountability.
- **Client Rights and Conduct:** Ensure respectful treatment of all clients and adherence to a written code of conduct, including grievance procedures and confidentiality protections.
- **Data Collection and Reporting:** Maintain complete and accurate records in the Homeless Management Information System (HMIS) and provide required reports to the City in a timely manner.

- **Coordination and Communication:** Collaborate with City staff and community partners, participate in case conferencing, and respond promptly to City inquiries or concerns.
- **Contract Compliance:** Fulfill all obligations as described in this document and the Service Agreement, including timely implementation of corrective actions when deficiencies are identified.

The City retains the right to monitor and evaluate all aspects of the Service Provider's performance and to require corrective action if the Service Provider fails to meet any obligation described herein.

II. SHELTER OPERATIONS PLAN

A. Days and Hours of Operation

The Navigation Center shall operate 24 hours per day, 7 days per week, including holidays, to provide consistent and uninterrupted services for clients. Staff coverage will be maintained at all times to ensure safety, cleanliness, and appropriate support for clients and facility operations.

The Service Provider shall maintain a minimum of two trained staff members awake and present on-site at all times, including overnight hours. Staffing levels shall be sufficient to meet operational and safety needs, including appropriate ratios to ensure client supervision, de-escalation, and support services.

B. Check-In and Check-Out Procedures

Clients shall be admitted through a coordinated and orderly check-in process managed by shelter staff. Procedures shall include:

- Verification of referral and eligibility (if applicable)
- Completion of an intake form and review of shelter rules
- Issuance of a bed assignment and personal storage location
- Orientation to site expectations and services
- Entry into the HMIS and/or Coordinated Entry System (as applicable)

Daily check-in hours and curfew policies shall be established by the Service Provider and approved by the City. Clients shall be allowed to exit and return during the day in accordance with shelter rules and individual needs. Check-out procedures shall include:

- Return of bedding or supplies (if applicable)
- Exit interview or review with case management staff when appropriate
- Update to HMIS record and documentation of exit reason

The Service Provider shall maintain clear documentation of all client check-ins and check-outs and track bed utilization daily. These records shall be made available to the City upon request.

A daily bed reservation and utilization log shall be maintained, with accurate HMIS entries updated within 24 hours. Staff shall ensure that all admissions meet eligibility requirements and that all intakes and exits are documented in accordance with HUD data standards and HMIS protocols.

C. Site Rules and Expectations

To ensure safety and maintain a peaceful and respectful environment, the Service Provider shall implement and enforce a written code of conduct for all clients. At minimum, site rules shall address:

- Prohibited behaviors (e.g., violence, threats, possession or use of drugs or weapons)
- Respectful conduct toward staff, volunteers, and other clients
- Cleanliness and proper use of facilities
- Quiet hours and curfew policies
- Attendance at case management or service appointments (as applicable)

Clients may leave and reenter the shelter property by vehicle or bicycle. Walking on and off the property remains prohibited unless accompanied by staff or through approved exceptions for off-site appointments. Clients using bicycles must adhere to shelter rules and the bicycle expectations outlined in the Shelter Bicycle Policy.

Clients shall receive a copy of the rules upon intake and sign an acknowledgment form. Progressive discipline may be used for minor violations, but serious or repeated violations may result in suspension or discharge in accordance with due process protocols. The Service Provider shall document all incidents and notify the City of any significant safety-related concerns.

The Service Provider shall maintain a written grievance process to allow clients to appeal disciplinary actions, including suspension or discharge. All rule violations and subsequent actions must be documented and made available for City review upon request.

D. Meal Service

The Service Provider shall provide three meals per day to all shelter clients, meeting basic nutritional standards and accommodating dietary restrictions when possible. Meal service shall include:

- Breakfast – A nutritious continental or packaged meal (e.g., fruit, yogurt, cereal, granola bars, pastries, hard-boiled eggs). Hot options may be provided if resources allow.
- Lunch – A cold meal or snack, such as sandwiches, salads, or pre-packaged items suitable for midday consumption.
- Dinner – A hot, prepared meal served on-site every evening.

The Service Provider shall:

- Develop and post a consistent meal schedule, including designated service hours and any changes.
- Ensure staff are present during meal service to support orderly, respectful conduct.
- Monitor food quality, safety, and client satisfaction, and make adjustments based on feedback and observed consumption patterns.

To support sustainability and cost control, the Service Provider shall implement a Food Waste Reduction Plan, which shall include:

- A method for forecasting actual meal demand (e.g., client sign-ups or analysis of historical consumption).
- Procedures for adjusting food orders and preparation based on expected attendance.
- Safe and sanitary handling of leftovers and uneaten food in compliance with applicable health codes.
- Documentation of daily meal counts and food waste volumes for reporting and continuous improvement.

The Food Waste Reduction Plan shall be submitted to the City within 30 days of contract execution (or renewal) and updated annually or as needed. Monthly reports shall include:

- Meals purchased
- Meals served
- Meals unserved or discarded
- Summary of food waste reduction efforts and cost-saving strategies

The City reserves the right to review food service operations, including vendor agreements, to assess alignment with the Food Waste Reduction Plan and evaluate overall cost-effectiveness.

E. Hygiene and Laundry Services

The Service Provider shall maintain on-site hygiene facilities that are clean, safe, and accessible to all clients during appropriate hours. Services shall include:

- Restrooms and Showers – Functional, well-maintained restrooms and private showers with hot water. The facility should include single-occupancy restrooms to ensure privacy and accommodate all clients.
- Toiletries – Provision of essential hygiene supplies, including soap, shampoo, toothpaste, deodorant, feminine hygiene products, and other personal care items. Supplies shall be replenished regularly and made available to clients upon request.
- Laundry Services – On-site laundry access at no cost to clients. Bedding, towels, and personal clothing must be laundered regularly in accordance with shelter Health and Safety Policies. The Service Provider shall maintain a schedule and process for ensuring clients comply with hygiene and laundry expectations.

Upon intake, all new clients shall:

- Be encouraged to shower and provided with a hygiene kit.
- Be required to turn in all fabric items (e.g., backpacks, blankets, clothing) for laundering or heat treatment to prevent pest infestations and support public health.

The Service Provider shall:

- Maintain written protocols for heat treatment and laundry sanitation aligned with public health guidelines.
- Conduct regular supervisory inspections of all hygiene and laundry areas, with documentation available to the City upon request.
- Promote daily use of hygiene and laundry facilities and enforce cleanliness expectations in a respectful, trauma-informed manner.

F. Shelter Capacity and Beds

The maximum occupancy of the Navigation Center shall not exceed the number of beds and capacity limits approved by the City and any applicable local fire or building codes. The Service Provider shall:

- Maintain an up-to-date inventory of beds (including types: single, bunk, etc.)
- Ensure appropriate assignment of beds and maintain a daily bed roster
- Provide secure storage or lockers for client belongings
- Coordinate any overflow or emergency placement protocols in collaboration with the City

Bed layout and spacing must comply with fire and building code regulations, including minimum spacing between beds and ADA accessibility standards. Any changes to bed configuration or occupancy must receive prior written approval from the City and, if required, the fire marshal.

The Service Provider shall not exceed occupancy limits or modify sleeping arrangements without prior written approval from the City. The City reserves the right to inspect the facility at any time to verify compliance with occupancy and facility standards.

III. SAFETY AND SECURITY

The Service Provider shall maintain a safe, secure, and trauma-informed environment for all clients, staff, and visitors at the Navigation Center. Safety protocols shall be clearly documented, consistently enforced, and regularly updated in coordination with City staff and public safety partners.

A. On-Site Security Personnel

- Trained security personnel shall be present at the Navigation Center during all hours of operation, including overnight and weekends.
- Security staff shall wear uniforms or identification that clearly distinguishes them as security personnel.
- Security staff shall actively monitor all entrances, exits, and common areas to prevent unauthorized access and ensure compliance with shelter rules.

Security staff shall be trained in:

- De-escalation techniques
- Trauma-informed care principles
- Conflict resolution
- Sensitivity when interacting with individuals experiencing homelessness, mental illness, or substance use

The Service Provider shall ensure that all security staff receive ongoing training, including quarterly refresher sessions, and maintain records of all completed training.

B. Client Safety and Incident Response

The Service Provider shall:

- Implement written procedures for responding to emergencies, client conflicts, medical incidents, and violations of shelter rules.
- Maintain an incident log documenting the date, time, location, parties involved, response actions, and outcomes of all safety-related incidents.
- Review the incident log weekly as part of internal oversight by shelter leadership to identify patterns, ensure appropriate follow-up, and reinforce staff accountability.
- Make the incident log available to the City upon request for program monitoring and quality assurance purposes.
- Immediately notify the City of any serious incident involving client harm, threats of violence, weapons, drug use, or other urgent safety concerns.

Clients who pose an ongoing safety risk to others may be subject to temporary suspension or discharge, provided such action is documented, reported to the City, and follows fair and consistent enforcement procedures.

C. Emergency Preparedness

The Service Provider shall develop and maintain written emergency procedures, including but not limited to:

- Fire evacuation
- Earthquake preparedness
- Medical emergencies
- Hazardous materials response
- Emergency lockdown or shelter-in-place

These procedures shall be:

- Posted throughout the facility in clearly visible locations
- Reviewed with all staff during onboarding and annually
- Practiced through quarterly evacuation drills involving both staff and clients, with records maintained for each drill

At least one staff member on every shift shall be certified in CPR and basic first aid. First aid kits shall be readily accessible, stocked, and inspected regularly.

D. Health and Sanitation Standards

To prevent illness and promote public health, the Service Provider shall ensure:

- Routine cleaning and disinfection of restrooms, showers, dining areas, sleeping areas, and common spaces
- Availability of handwashing stations and hand sanitizer
- Implementation of basic infection control practices (e.g., universal precautions, proper disposal of biohazards)
- Prompt reporting and mitigation of any pest, mold, or unsanitary conditions

City staff may inspect the facility at any time to verify compliance with health and safety standards. The Service Provider shall immediately address any deficiencies identified.

E. Screening of Clients and Visitors

To promote the safety of all occupants:

- The Service Provider shall screen all clients at intake for active warrants and for offenses that pose a threat to the safety of others. Individuals with active warrants or pending violent felony charges may be denied entry pending resolution.
- The Service Provider shall screen all clients for registration on the national sex offender registry prior to admission. Individuals required to register as sex offenders shall not be eligible for shelter placement at the Navigation Center.
- Visitors and vendors shall be signed in and monitored while on-site. Visitors are not permitted in sleeping areas unless authorized by staff.
- A Visitor Logbook shall be maintained on-site to track all non-client individuals entering and exiting the facility, including volunteers, vendors, contractors, and other guests. The log shall include name, purpose of visit, time in/out, and the staff member authorizing access. Logs must be retained for at least 12 months and made available to the City upon request.

Documentation of all screening protocols and decisions shall be retained and made available to the City upon request.

F. Facility Security Measures

The Service Provider shall ensure that the following physical security measures are in place and maintained:

- Controlled entry and exit points with staff monitoring
- Security cameras covering entrances, exits, and common areas (not including private sleeping areas or restrooms)
- Exterior lighting to ensure visibility and safety around the perimeter of the facility
- Alarm systems and emergency communication tools, where applicable

The Service Provider shall immediately repair or report any malfunctioning security systems and notify the City of any breaches or failures.

G. Prohibited Conduct and Contraband Policy

To ensure a safe and respectful environment, the Service Provider shall enforce a zero-tolerance policy regarding dangerous or disruptive behaviors and banned items. The following conduct is prohibited on-site and may result in warnings, suspension, or discharge:

- Violence, threats, or harassment toward staff, volunteers, or clients
- Possession or use of weapons
- Possession, distribution, or use of illicit drugs or alcohol
- Theft or vandalism
- Lewd or sexually inappropriate behavior
- Refusal to follow reasonable staff directions

All clients shall be required to sign or verbally acknowledge receipt of shelter rules during intake. Copies of signed agreements or intake acknowledgments shall be maintained in client files.

Contraband items (including weapons, drugs, alcohol, and stolen property) shall be confiscated and handled per written procedures developed by the Service Provider. Law enforcement shall be contacted as needed.

All disciplinary actions, warnings, and discharges must be documented, with serious incidents reported to the City within 24 hours.

H. Compliance Monitoring and Reporting

To ensure consistent adherence to safety protocols, the Service Provider shall:

- Submit a monthly incident summary report to the City by the 5th business day of the following month, including the number and type of incidents (e.g., fights, contraband discoveries, threats).
- Provide documentation of all incident reports, disciplinary actions, and police contacts upon request.

- Permit periodic, unannounced safety audits by City staff or their designees to assess adherence to policies, emergency protocols, and cleanliness standards.
- Maintain a corrective action log and status updates for any safety-related deficiencies identified during inspections or audits.

I. Staff Roles in Emergency Response

Each shift shall have a designated lead staff member responsible for implementing emergency procedures. All staff must:

- Know the location of emergency exits, fire extinguishers, and first aid supplies.
- Receive quarterly refresher training on emergency protocols.
- Participate in mandatory debriefings after significant safety incidents to evaluate staff response and improve future procedures.

J. Collaboration with Public Safety Agencies

The Service Provider shall:

- Maintain updated emergency contact lists and share with relevant public safety partners annually.
- Establish and maintain a communication protocol with the Huntington Beach Police and Fire Departments.
- Designate a liaison to coordinate with emergency responders during crises.
- Invite public safety partners to participate in annual review and training on shelter emergency plans.

IV. CLIENT SERVICES AND CASE MANAGEMENT

The Service Provider shall deliver comprehensive, individualized, and housing-focused services to all eligible clients at the Navigation Center. Services shall be rooted in trauma-informed care, harm reduction, and strength-based practices, with the primary goal of assisting clients to secure and retain permanent housing as quickly as possible.

A. Eligibility and Intake

- The Navigation Center shall prioritize adult individuals experiencing unsheltered homelessness in the City of Huntington Beach.
- The Service Provider shall follow coordinated entry policies and procedures in line with the regional Continuum of Care.
- Clients must meet any eligibility requirements defined by funding sources or the City.
- Upon entry, each client shall be screened for safety, assessed for service needs, and oriented to the shelter's rules and services.
- Intake procedures must include:
 - Completion of all required intake and consent forms

- Data entry into HMIS and CES (as applicable)
- Review of shelter rules, client rights, and grievance procedures
- Issuance of an individualized Service Plan start timeline

B. Individual Case Management

The Service Provider shall provide one-on-one case management to each client, which shall include:

- Completing a housing-focused service plan within 7 days of entry, tailored to client needs and goals
- Assisting clients with:
 - Obtaining ID and vital documents
 - Applying for public benefits
 - Accessing healthcare, mental health, and substance use services
 - Navigating transportation and communication needs (e.g., bus passes, phone access)
 - Reunifying with family (if appropriate and desired)
- Providing regular follow-ups (at least weekly) and revising service plans as necessary

The Service Provider shall maintain detailed case notes, referral logs, and documentation of progress toward housing in the client's file and HMIS. Caseloads shall be maintained at levels that allow for meaningful engagement and progress tracking.

C. Housing Navigation and Placement

The Service Provider shall prioritize housing-focused case management and ensure that:

- All clients must receive a CES assessment (e.g., VI-SPDAT or successor tool) within 7 days of entry.
- Housing-focused case management shall include:
 - Assisting clients in identifying short- and long-term housing options
 - Helping clients complete housing applications and prepare for landlord screenings
 - Partnering with landlords, property managers, and housing programs to facilitate placement
 - Supporting clients through move-in processes and transition services

Housing Navigators shall document each client interaction in HMIS with clear and detailed case notes that reflect meaningful engagement describing the topics discussed, housing barriers addressed, action steps taken, referrals provided, and any follow-up items. All entries must be completed within 48 hours of the interaction.

Staff shall maintain contact with housing partners and report housing placements, referrals, and barriers to the City monthly.

D. Coordinated Entry and Referrals

- The shelter shall operate as an official CES Access Point and adhere to CES protocols.
- The Service Provider shall:
 - Complete CES assessments and enter them into the system
 - Refer clients to appropriate programs and services
 - Accept CES referrals and conduct timely intakes
 - Track all referral outcomes and housing matches

Coordination with the regional CES Lead Agency shall be documented and evaluated through City monitoring.

E. Diversion and Problem-Solving

Diversion and problem-solving techniques shall be used to reduce unnecessary shelter stays and promote quick exits to safe, stable alternatives. This includes:

- Identifying family reunification options
- Assisting with landlord mediation
- Exploring temporary shared housing
- Coordinating access to one-time financial support (when available)

Diversion outcomes shall be recorded and reported.

F. Supportive Services

The Service Provider shall directly offer or coordinate referrals for:

- Physical health care and behavioral health services
- Substance use recovery and relapse prevention supports
- Life skills classes (e.g., budgeting, cooking, hygiene, navigating systems)
- Employment support (job search, resume building, training programs)

Participation shall be voluntary unless required by law or funder requirements. Group workshops shall be scheduled and posted regularly.

Effective September 1, 2025, the Navigation Center will operate one shuttle vehicle instead of two. As a result, shuttle frequency and the number of routes may be adjusted. Mercy House will prioritize routes based on client needs and availability of public transportation. Shelter staff will work with clients to identify transportation options to support appointments, services, and housing search activities.

The Service Provider shall include shuttle, vehicle, and bicycle-related services as part of its written transportation policies, as outlined in Section VII.A.

G. Grievance and Feedback Mechanisms

- The Service Provider shall maintain a grievance policy that allows clients to file complaints about staff conduct, shelter conditions, or service quality.
- The policy must include:
 - Clear instructions and multiple methods for filing grievances (including anonymous submissions)
 - Non-retaliation language
 - A documented investigation and resolution process

Grievances shall be logged and tracked. A summary of grievances, resolutions, and trends shall be reported quarterly to the City.

H. Client Confidentiality and Rights

- All client information shall be maintained confidentially and stored securely in compliance with applicable laws.
- The Service Provider shall ensure staff are trained in:
 - HIPAA
 - CMIA
 - 42 CFR Part 2 (if applicable)
- Clients shall be informed of their rights upon intake, including non-discrimination, grievance processes, and privacy protections.
- No client shall be denied services based on race, ethnicity, age, disability, gender identity, sexual orientation, religion, or immigration status.

All staff shall sign confidentiality agreements and participate in annual training on client rights and data protection.

V. STAFFING AND MANAGEMENT PLAN

The Service Provider shall ensure adequate staffing, training, and supervision to support the safe, effective, and client-centered operation of the Navigation Center. Staffing levels must be sufficient to meet client needs, fulfill contractual obligations, and maintain a trauma-informed, welcoming, and well-managed facility at all times.

A. Staffing Plan and Organizational Chart

The Service Provider shall maintain a current staffing plan that includes an organizational chart identifying all key staff positions, lines of supervision, and shift coverage.

The organizational chart shall include, at a minimum, the following roles or their functional equivalents:

- Program Manager
- Assistant Program Manager and/or Site Leads
- Housing Navigators
- Case Managers
- Shelter Support Staff (e.g., Overnight Coordinators, Logistics or Facilities Coordinators)
- Security Personnel
- Custodial or Janitorial Staff
- Administrative or Data Entry Staff

The chart shall clearly identify shift coverage and supervisory structure. A copy of the chart must be provided to the City upon contract execution and updated as staffing changes occur.

B. Position Descriptions and Qualifications

The Service Provider shall maintain written job descriptions for all staff positions at the Navigation Center. Each job description shall include:

- Core duties and responsibilities
- Minimum qualifications (e.g., education, licenses, certifications, prior experience)
- Lines of supervision and authority

Job descriptions must align with the shelter's operational model and be reviewed and updated at least annually. Copies shall be made available to the City upon request.

C. Hiring, Background Checks, and Onboarding

The Service Provider shall conduct a thorough screening and onboarding process for all new hires, including:

- Verification of identity, qualifications, and employment history
- Criminal background checks in accordance with state law
- Screening against the National Sex Offender Public Website (NSOPW) registry
- Individuals on the sex offender registry are prohibited from employment at the Navigation Center.

All background screening results must be reviewed and approved prior to the employee beginning work on-site.

Prior to assuming on-site duties, all new staff shall complete an orientation that includes:

- Overview of Navigation Center operations

- Review of shelter rules, policies, and procedures
- Role-specific duties and expectations
- Confidentiality, mandated reporting, and client rights
- Professional standards and code of conduct
- Emergency response and safety protocols

A record of completed onboarding and background checks shall be maintained in the employee file and made available for City review.

D. Staff Training and Development

The Service Provider shall ensure all staff receive initial and ongoing training aligned with their job duties and consistent with best practices for safe, trauma-informed, and housing-focused shelter operations.

Required training topics shall include, at minimum:

- Trauma-Informed Care
- De-escalation and Crisis Intervention
- Harm Reduction Strategies
- Motivational Interviewing (for client-facing staff)
- Housing First and Housing Navigation
- Cultural Awareness and Respectful Engagement
- Shelter Policies and Procedures
- Emergency Response, Safety, and First Aid
- Client Confidentiality (HIPAA, CMIA, 42 CFR Part 2, if applicable)

New staff shall complete core training within 30 days of hire. All staff shall participate in annual refresher training and additional workshops as needed to maintain skills and knowledge.

The Service Provider shall:

- Maintain a training log with documentation of topics, dates, and attendance
- Monitor training compliance and address gaps or deficiencies promptly
- Make training records available to the City upon request

E. Staffing Coverage and On-Site Supervision

The Navigation Center must be staffed at all times, including overnight and holiday hours. Staffing plans shall ensure:

- A minimum of two trained, awake staff on-site at all times
- At least one on-site or on-call supervisory staff (e.g., Program Manager, Assistant Manager, or Site Lead) at all times
- Maintain staff-to-client ratios sufficient to ensure client safety, active supervision, and consistent service delivery

- Shift overlap and handoff protocols to ensure continuity of care and timely incident response

A monthly staffing schedule must be maintained and made available to the City upon request.

F. Staff Conduct and Professional Standards

All staff shall conduct themselves professionally and in accordance with Navigation Center policies, including:

- Treating clients, colleagues, and partners with respect
- Prohibiting discrimination, harassment, or exploitation
- Maintaining professional boundaries at all times

The Service Provider shall:

- Implement and enforce a staff Code of Conduct
- Establish internal procedures for investigating allegations of staff misconduct
- Take prompt and documented corrective action when appropriate
- Report serious incidents or allegations to the City per established reporting protocols, including any incidents that impact client safety or program integrity.

The City reserves the right to request documentation of any investigation or personnel action related to allegations that may affect shelter safety or program integrity.

G. Daily Operations Plan and Staffing Matrix

The Service Provider shall maintain a written Daily Operations Plan that outlines staffing coverage and operational responsibilities for each shift. This plan shall:

- Identify required staff positions and functions for all operational periods (e.g., day, evening, overnight)
- Define minimum staffing levels to support safety, service delivery, and client engagement
- Include a staffing matrix showing job titles, key responsibilities, shift assignments, and supervisory structure
- Reflect current site conditions, operational hours, and anticipated client volume

The Daily Operations Plan shall be reviewed and updated whenever staffing patterns or program needs change. A current version shall be made available to the City upon request for monitoring and oversight purposes.

H. City Notification and Approval of Operational Changes

The Service Provider shall notify the City in writing and obtain advance approval prior to implementing any significant changes to:

- Staffing structure or key personnel (e.g., Program Manager or lead supervisory roles)
- Scope or method of service delivery
- Navigation Center hours of operation
- Availability or format of essential services such as meals, case management, or housing navigation

Requests for changes shall include:

- A clear explanation of the proposed change
- The rationale and anticipated impacts on clients and operations
- A proposed timeline for implementation

The City reserves the right to approve, deny, or request modifications to any proposed changes to ensure continuity of services and compliance with contract requirements.

VI. VOLUNTEER MANAGEMENT

The Service Provider may incorporate volunteers into the operation of the Navigation Center to enhance client services, promote community engagement, and support day-to-day activities. Volunteers shall not be used to replace paid staff or fulfill core service obligations but may assist with hospitality, logistics, administrative support, donations, and structured client activities under staff supervision.

The Service Provider shall implement and maintain a formal volunteer program that includes the following components:

A. Volunteer Roles and Boundaries

Volunteers may assist with non-clinical and non-confidential tasks that support site operations and client experience, including but not limited to:

- Sorting and distributing donations
- Assisting with meal service and hygiene kit assembly
- Supporting life skills groups, arts and recreation, or scheduled enrichment activities
- Helping with administrative tasks or front desk hospitality
- Participating in beautification and maintenance projects

Volunteers shall not be assigned duties that involve:

- Access to confidential client data
- Handling medications or client property
- Transporting clients
- Providing unsupervised one-on-one client interaction (unless specifically cleared and trained for that role)

All volunteer activities shall be staff-supervised. Boundaries and role expectations shall be clearly communicated during onboarding and reinforced throughout service.

B. Recruitment, Screening, and Background Checks

The Service Provider shall implement a volunteer screening process that includes:

- Background checks for all volunteers with direct client interaction, including screening through the National Sex Offender Public Website (NSOPW)
- Parental consent and additional supervision requirements for volunteers under 18
- Disqualification of individuals with violent, exploitative, or sex-related offenses

Documentation of completed background checks and clearances must be retained on file and made available to the City upon request.

C. Onboarding and Orientation

All volunteers must complete a structured orientation prior to beginning service. Orientation shall include:

- Overview of the Navigation Center's mission, services, and client population
- Professional conduct standards and appropriate client interaction
- Confidentiality, privacy, and boundaries
- Emergency and safety procedures
- Volunteer expectations and reporting protocols

Each volunteer must sign an acknowledgment form confirming completion of orientation and agreement to comply with all shelter policies, procedures, and conduct expectations.

D. Training and Supervision

Volunteers who contribute more than 8 hours per month or serve in recurring client-facing roles shall be encouraged and scheduled to participate in relevant staff training sessions, such as:

- Trauma-Informed Engagement
- Respectful Communication and Boundary Setting
- Cultural Awareness and Sensitivity
- De-escalation Techniques

The Service Provider shall assign a designated Volunteer Coordinator or supervisory staff member to:

- Oversee volunteer recruitment, onboarding, and scheduling
- Match volunteers to appropriate tasks based on skills and site needs
- Provide real-time supervision and support

- Address concerns, feedback, or performance issues

A volunteer schedule and service hour log must be maintained and made available for City review upon request.

E. Compliance and Risk Management

The Service Provider shall implement and enforce site-wide standards for volunteer conduct and risk mitigation, including:

- Volunteers must wear visible name badges and sign in and out each shift
- Volunteers are prohibited from transporting clients, handling client funds, or engaging in personal or social relationships with clients
- Allegations of volunteer misconduct shall be investigated promptly, with documentation of any actions taken

Volunteers may be suspended or removed from service to protect client safety or preserve the integrity of shelter operations.

The City may request a summary of the volunteer program as part of contract monitoring or performance review. This summary may include:

- Total number of active volunteers
- Hours served
- Training participation
- Summary of volunteer contributions to program operations or client experience

VII. POLICIES AND PROCEDURES

The Service Provider shall develop, implement, and maintain written policies and procedures governing the operation of the Navigation Center. These policies shall be aligned with industry best practices and comply with all applicable federal, state, and local laws. The City reserves the right to review these policies and request revisions to ensure consistency with contract requirements and public safety standards.

A. Required Written Policies

At a minimum, the Service Provider shall maintain current written policies addressing the following topics:

- Client intake and eligibility
- Check-in and check-out procedures
- Client transportation and mobility policies, including procedures for shuttle services, vehicle entry/exit, bicycle access and storage, and restrictions on walk-on/walk-off activity
- Shelter rules and expectations
- Grievance procedures
- Suspension and termination protocols
- Emergency response and evacuation

- Confidentiality and data security
- Visitor and vendor access
- Staff conduct and ethics
- Volunteer management and conduct
- Drug and alcohol policy
- Prohibited conduct and incident response
- Infection control and sanitation
- Nondiscrimination and reasonable accommodations for disabilities or language needs

These policies shall be available on-site and provided to the City upon request. Policies must be reviewed and updated annually or as operational needs change.

B. Policy Dissemination

The Service Provider shall ensure that:

- All staff receive and acknowledge key policies during onboarding
- Clients are informed of relevant policies during intake and provided with written copies of shelter rules, grievance procedures, and rights
- Policies are posted in common areas in a language and format accessible to all clients

C. Incident Documentation and Enforcement

- The Service Provider shall apply policies fairly and consistently across all clients and staff.
- All policy violations, safety incidents, and grievances shall be documented in writing and retained in the appropriate file.
- Serious incidents shall be reported to the City within 24 hours.

D. Policy Revisions and City Oversight

The City reserves the right to request updates to policies and procedures if they are outdated, unclear, or inconsistent with contract obligations or regulatory standards. The Service Provider shall cooperate in revising policies in a timely manner and providing staff with updated training when changes are implemented.

VIII. PERFORMANCE MONITORING AND COMPLIANCE

The City shall monitor the Service Provider's performance on a regular basis to ensure compliance with the contract, adherence to all operational standards, and achievement of key outcomes. The Service Provider shall cooperate fully with all monitoring efforts and maintain complete and accurate documentation for review.

A. Performance Monitoring by the City

The City shall conduct both scheduled and unannounced monitoring visits. Areas of review may include, but are not limited to:

- Compliance with scope of work and service delivery expectations
- Staff qualifications and training records
- Program participant eligibility and intake documentation
- Case management and housing navigation progress
- Incident reports, safety logs, and grievance tracking
- Condition and cleanliness of the facility
- Timeliness, accuracy, and completeness of required reporting

Client files and case notes shall be made available to the City upon request for monitoring and quality assurance purposes, consistent with applicable confidentiality laws and data-sharing agreements.

Following each monitoring visit, the City shall provide the Service Provider with a written summary of findings, including any required corrective actions and deadlines for compliance.

B. Required Reports

The Service Provider shall submit the following reports to the City by the 10th day of each month (or as otherwise specified):

- Monthly program activity report, including:
 - Number of clients served, demographics, and length of stay
 - Housing placements and exits by type
 - Referrals made and services provided
 - Incidents, grievances, and responses
- Quarterly financial reports, including budget-to-actual spending
- Quarterly summary of client grievances and resolutions
- Annual performance review with year-end data and narrative analysis

The Service Provider shall utilize HMIS or another system approved by the City to track and report client data.

C. Fundraising Requirement and Incentive

To support the long-term sustainability of the Navigation Center, the Service Provider shall develop and implement an annual fundraising plan. The plan must be submitted to the City for review and approval.

Fundraising is intended to enhance or expand services, not to replace the City's funding. The City's General Fund contribution to shelter operations will remain unchanged regardless of funds raised.

The fundraising plan must include:

- A fundraising goal and target amount
- Planned revenue sources (e.g., grants, donations, fundraising events)
- Key fundraising activities and timelines

- Staff roles and responsibilities related to fundraising

The Service Provider shall make a good faith effort to raise at least \$25,000 per fiscal year in unrestricted or program-specific funds for the Navigation Center. To encourage fundraising efforts, the City will offer the following financial incentives:

- If the \$25,000 annual goal is met, the City will allow the Service Provider to retain 5% of the total amount raised as unrestricted administrative revenue, separate from the program budget.
- If the amount raised exceeds \$25,000, the City will allow the Service Provider to retain 10% of the funds raised above that threshold, also as unrestricted administrative revenue.

All fundraising efforts must follow applicable laws and ethical standards. The Service Provider shall report all fundraising results – including donations and grant awards related to the Navigation Center—in the annual performance report submitted to the City.

D. Cost Allocation Plan

To ensure proper stewardship of public funds, the Service Provider shall submit a detailed Cost Allocation Plan within 60 days of contract execution and update it annually thereafter. The plan shall clearly explain how the agency allocates shared administrative and overhead costs across programs and funding sources.

The Cost Allocation Plan shall include:

- The methodology used for allocating direct and indirect costs
- A breakdown of the shared costs (e.g., rent, utilities, salaries of central staff)
- Percentage allocations for each program or contract supported by the agency
- Frequency and process for updating the plan
- Internal controls to ensure accurate and fair distribution of expenses

The City reserves the right to review the Cost Allocation Plan during monitoring visits and may require revisions if the plan lacks transparency or results in disproportionate charges to the Navigation Center budget.

E. Financial Reporting and Invoicing Procedures

The Service Provider shall submit a complete and accurate invoice package to the City on a monthly basis for reimbursement of eligible Navigation Center expenses. The City will only reimburse costs that are allowable under the approved program budget, properly documented, and incurred during the contract term.

Each invoice submission must include:

- A cover sheet summarizing the total reimbursement request, broken down by approved budget categories

- Itemized supporting documentation for all expenses, including vendor invoices, receipts, and proof of payment (e.g., cleared checks, bank statements, or credit card statements)
- A staff time log or payroll report for any personnel costs included in the reimbursement request

The City shall not reimburse:

- Late fees or finance charges incurred by the Service Provider due to delayed payments to vendors
- Meals or restaurant expenses for internal team meetings, staff lunches, or administrative gatherings
- Costs outside the approved scope of work or budget unless expressly authorized in writing by the City

Invoices that are incomplete, inaccurate, or missing required documentation will be returned to the Service Provider for revision and resubmission. The City expects the Service Provider to maintain a high standard of quality and accuracy in financial reporting. Repeated submission of deficient or sloppy documentation may result in delayed payments or a corrective action notice.

To reduce administrative burden and avoid payment delays, the Service Provider is strongly encouraged to:

- Implement internal quality control procedures for verifying invoice accuracy prior to submission
- Submit proof of payment for each expense in the same month it is invoiced, when feasible

Year-End Exception: During the final two months of the City's fiscal year (May–June), the City may authorize reimbursement of expenses prior to receiving proof of payment, solely for the purpose of closing the City's books. In these cases, the Service Provider must submit proof of payment within 60 days of reimbursement or risk disallowance of the cost in future audits or reviews.

The City reserves the right to request additional documentation for any expense, review original records on-site, or withhold payment for costs that do not meet contract requirements.

Exhibit B
Huntington Beach Navigation Center Operating Budget
(Period of October 1, 2025 to June 30, 2026)

Operating Costs	October 1, 2025 - June 30, 2026 Budget
Personnel Costs	
Program Manager (1 Staff)	\$71,175.00
Sr. Site Lead (1 Staff)	\$49,725.00
Site Lead (2 Staff)	\$95,550.00
Overnight Lead	\$0.00
Navigation Supervisor (1 Staff)	\$49,725.00
Navigators (5.6 Staff)	\$251,658.33
Shelter Specialist FT (6.25 Staff)	\$249,843.75
Shelter Specialist PT (2.75 Staff)	\$110,908.41
Safety Coordinator (5.625 Staff)	\$235,828.12
Overnight Logistics Coordinator (3.35 Staff)	\$145,572.92
Driver (3.46 Staff)	\$135,141.52
Reservationist (1 Staff)	\$40,950.00
Program Salaries	\$1,436,078.05
Program and Facilities Costs	
Meals (164 Daily)	\$377,379.00
Security (5 Staff)	\$279,225.00
Shelter Supplies	\$76,500.00
Animal Services/Supplies	\$13,500.00
Client Barrier Funds	\$5,625.00
Transportation, Shuttle Fuel and Repairs	\$29,330.27
Shuttle Lease (2 Vehicles)	\$7,275.75
Shelter Maintenance (Pest Control, Landscaping, Plumbing, Etc.)	\$10,800.00
Utilities/Trash	\$27,000.00
Insurance	\$28,677.00
Replacement Reserves	\$3,750.00
IT and Internet	\$9,000.00
Program/Facilities Costs	\$868,062.02
Administrative Costs	
Indirect Costs	\$224,575.06
Total HBNC Operations Costs	\$2,528,715.13



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
5/20/2025

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

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

PRODUCER IAG Insurance Services 111 Corporate Drive Suite 100 Ladera Ranch CA 92694		CONTACT NAME: JB Torsy PHONE (A/C, No, Ext): 949-398-2155 FAX (A/C, No): 949-387-2324 E-MAIL: jbt@iagins.com ADDRESS:	
License#: 0D78344 MERCHOU-01		INSURER(S) AFFORDING COVERAGE	
INSURED Mercy House Living Centers, Inc PO Box 1905 Santa Ana CA 92702-1905		INSURER A: Philadelphia Indemnity Insurance Company INSURER B: Berkshire Hathaway Homestate INSURER C: James River Insurance Company INSURER D: Admiral Insurance Company INSURER E: INSURER F:	
		NAIC # 18058 20044 12203 24856	

COVERAGES

CERTIFICATE NUMBER: 1645260412

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	Y	00163845-0	5/17/2025	5/2/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	01APM058689-01	5/17/2025	5/2/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			0016873-0	5/17/2025	5/2/2026	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	MEWC647966	2/8/2025	2/8/2026	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C A	Professional Liability D&O/EPLI			001638450 PHSD1871491	5/17/2025 5/2/2025	5/2/2026 5/2/2026	Each Claim/Aggregate \$1M/\$2M Each Policy Period \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Abuse/Molestation - Policy Number: 001638450; Effective 5/17/2025 - 5/2/2026; Carrier: James River Insurance Company; Limits: Each Claim \$1,000,000 / Aggregate \$2,000,000

Umbrella Liability Schedule of Underlying: General Liability Policy: 001638450; Auto Liability Policy: 01APM058689-01; Workers' Compensation Policy: MEWC647966

City of Huntington Beach is named as additional insured on the General Liability. Coverage is Primary and Noncontributory, and a Waiver of Subrogation applies. Waiver of Subrogation applies to the Workers' Compensation. Umbrella Liability Schedule of Underlying: General Liability, Auto Liability, and Workers' Compensation.

CERTIFICATE HOLDER

CANCELLATION

City of Huntington Beach 2000 Main St Huntington Beach CA 92646	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE

City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers

1. Arising out of the sole negligence of the Additional Insured;
2. Arising out of the claimed negligence of the Additional Insured other than that directly caused by "your work" which shall be imputed to the Additional Insured; or

Policy Number: 00163845-0

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

3. To any employee of the Named Insured or to any obligation of the Additional Insured to indemnify another because of damages arising out of such injury.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED
PRIMARY AND NON-CONTRIBUTORY INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Effective Date: 05/02/2024

Name of Person or Organization (Additional Insured):

"Blanket where required by written and signed contract"

SECTION II – WHO IS AN INSURED is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" arising out of or relating to your negligence in the performance of "your work" for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or "occurrence" we cover for this Additional Insured.

The Additional Insured's limits of insurance do not increase our limits of insurance, as described in **SECTION III – LIMITS OF INSURANCE.**

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST SCHEDULED PERSONS OR ORGANIZATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

SCHEDULE

Name of Person or Organization:

City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers

The **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** Condition contained in the Common Policy Conditions is amended by adding the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage, arising out of your ongoing operations or "your work" done under a written contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule above and only to the extent of the terms of the written contract.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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

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

The additional premium for this endorsement shall be calculated by applying a factor of 2% to the total manual premium, with a minimum initial charge of \$350, then applying all other pricing factors for the policy to this calculated charge to derive the final cost of this endorsement.

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

Schedule**Blanket Waiver**

Person/Organization	Blanket Waiver – Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
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Job Description	Waiver Premium (prior to adjustments)
All CA Operations	21891.00

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

Endorsement Effective: 02/08/2025

Policy No.: MEWC544885

Endorsement No.:

Insured:

Premium \$

Insurance Company: Berkshire Hathaway Homestate Ins Co

Countersigned by _____

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

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

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

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

A. Extended Property Damage

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

a. Expected or Intended Injury

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

B. Limited Rental Lease Agreement Contractual Liability

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

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

C. Non-Owned Watercraft

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

- (2) A watercraft you do not own that is:

- (a) Less than 58 feet long; and
- (b) Not being used to carry persons or property for a charge;

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

D. Damage to Property You Own, Rent or Occupy

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

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

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

E. Damage to Premises Rented to You

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

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

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

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

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

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

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

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

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

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

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

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

F. HIPAA

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

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

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

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

This insurance does not apply to:

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

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

- b. **Criminal Acts**

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

- c. **Other Remedies**

Any remedy other than monetary damages for penalties assessed.

- d. **Compliance Reviews or Audits**

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

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

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

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

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

1. The Medical Expense Limit is changed subject to all of the terms of **SECTION III - LIMITS OF INSURANCE** to the greater of:
 - a. \$20,000; or
 - b. The Medical Expense Limit shown in the Declarations of this Coverage Part.
2. **SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS**, Subsection 1. **Insuring Agreement**, a. (3) (b) is deleted in its entirety and replaced by the following:
 - (b) The expenses are incurred and reported to us within three years of the date of the accident.

H. Athletic Activities

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

e. Athletic Activities

To a person injured while taking part in athletics.

I. Supplementary Payments

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

1. b. is deleted in its entirety and replaced by the following:
 1. b. Up to \$5000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these.
- 1.d. is deleted in its entirety and replaced by the following:
 1. d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

J. Employee Indemnification Defense Coverage

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

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

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

K. Key and Lock Replacement – Janitorial Services Client Coverage

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

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

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

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

a. "Client" means an individual, company or organization with whom you have a written contract or work order for your services for a described premises and have billed for your services.

b. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you; or

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you.

(3) "Employee" does not mean:

(a) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(b) Any "manager," director or trustee except while performing acts coming within the scope of the usual duties of an "employee."

c. "Manager" means a person serving in a directorial capacity for a limited liability company.

L. Additional Insureds

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

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

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

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

2. Each of the following is also an insured:

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

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

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

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

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

(1) Their financial control of you; or

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

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

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

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

This insurance does not apply to:

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

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

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

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

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

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

- h. Grantors of Permits** – Any state or political subdivision granting you a permit in connection with your premises subject to the following additional provision:

 - (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with the premises you own, rent or control and to which this insurance applies:

 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, holst away openings, sidewalk vaults, street banners or decorations and similar exposures;
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.
- i. Vendors** – Only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

 - (1) The insurance afforded the vendor does not apply to:

 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Sub-paragraphs (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing.
- j. **Franchisor** – Any person or organization with respect to their liability as the grantor of a franchise to you.
- k. **As Required by Contract** – Any person or organization where required by a written contract executed prior to the occurrence of a loss. Such person or organization is an additional insured for "bodily injury," "property damage" or "personal and advertising injury" but only for liability arising out of the negligence of the named insured. The limits of insurance applicable to these additional insureds are the lesser of the policy limits or those limits specified in a contract or agreement. These limits are included within and not in addition to the limits of insurance shown in the Declarations
- l. **Owners, Lessees or Contractors** – Any person or organization, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - (1) Your acts or omissions; or
 - (2) The acts or omissions of those acting on your behalf;

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

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

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

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

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

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

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

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

a. is amended to include:

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

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

b. is amended to include:

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

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

N. Unintentional Failure To Disclose Hazards

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

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

O. Transfer of Rights of Recovery Against Others To Us

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

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

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

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

P. Liberalization

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

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

Q. Bodily Injury – Mental Anguish

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

"Bodily injury" means:

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

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

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

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

- b. Malicious prosecution or abuse of process;

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

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

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

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

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