Subaward Agreement: University Enterprises, Incorporated - California State University, Sacramento Innovation Center for Early Childhood Education (ICECE) Project
[Published for 10-day Review on 06/14/2024]

File ID: 2024-01037

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager, or the City Manager’s designee, to execute a subaward agreement with University Enterprises, Incorporated through January 31, 2026, in an amount not to exceed $4,280,000.

Contact: Jessica McCabe, Program Specialist, (916) 808-6316, jmccabe@cityofsacramento.org; Raymond Rodriguez, Program Manager, (916) 808-1040, rrodriguez@cityofsacramento.org; Department of Youth, Parks & Community Enrichment

Presenter: None.

Attachments:
1-Description/Analysis
2-Subaward Agreement

Description/Analysis
Issue Detail: On December 14, 2023, the Sacramento City Council passed a resolution to accept a grant award of $20 million in state community reinvestment funds (Resolution 2023-0359), from the California Natural Resources Agency (CNRA). The grant is authorized through Assembly Bill (AB) 178, Budget Act of 2022.

The State funding for the Parkway Projects, in the total amount of $10,000,000 (the "Parkway Grant"), is targeted to fund certain projects to improve access to the Lower American River Parkway. The State funding for the Community Reinvestment Projects, in the total amount of $13,050,000 (the "Community Grant"), is targeted to fund projects and programs to improve existing facilities, implement capital improvements, enhance community livability, improve public health and safety, and respond to the needs and interests of a diverse range of communities across the City and County of Sacramento.
The City is the "Grantee" for the Parkway Grant and Community Grant and has entered into the applicable State Grant Agreement (Agreement No. GF2130-0). The Department of Youth Parks and Community Enrichment (YPCE) seeks City Council authorization to pass through state grant funds of $4,280,000 to University Enterprises, Incorporated for the California State University, Sacramento Innovation Center for Early Childhood Education (ICECE) Project. The ICECE will be able to provide free professional development, technical assistance, and program evaluation to early childhood educators and caregivers, and will create an early childhood education network to share best practices and improve education outcomes. Sacramento State ICECE will be established on Sacramento State’s Campus.

**Policy Considerations:** The recommendations contained in this report are consistent with Sacramento City Code Section 3.04.020, which requires Council authorization to enter into an agreement greater than or equal to $250,000; and City Council Resolution 2023-0205, which requires Council authorization to obtain governing board of approval for a grant award, establish an operating grant and distribute subaward grants of $250,000 or more.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements, and all agreements greater than $1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on June 14, 2024, in compliance with the City Code.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** This proposal does not constitute a “project” as defined by CEQA Guidelines, sections 15378 (a) and is therefore exempt from the California Environmental Quality Act (CEQA) according section 15061(b)(3) of the CEQA Guidelines.

**Sustainability:** Funding for the project would enhance community services that enhance educational opportunities and support workforce development. The project also focuses on enhancing community livability and responding to the needs and interests of a diverse range of residents across the City and County of Sacramento, in alignment with the primary grant purpose.

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

**Rationale for Recommendation:** This approved project is consistent with California Natural Resources Agency Community Reinvestment Projects grant criteria and meets the grant goals of enhancing educational opportunities, community livability and providing workforce education and training.

**Financial Considerations:** This action will be fully funded through existing grant resources and will...
not have any financial impact to the General Fund.

Local Business Enterprise (LBE): Not applicable; no goods or services are being purchased with this action.
CALIFORNIA NATURAL RESOURCES AGENCY GRANTS
GRANT SUBAWARD AGREEMENT

This Grant Subaward Agreement ("Agreement"), dated October 1, 2023 for reference purposes only, is between the CITY OF SACRAMENTO, a municipal corporation, ("City") and University Enterprises, Incorporated, a California nonprofit public benefit corporation, organized and operating as an auxiliary organization pursuant to California Education Code Sections 89900, et seq., and Title 5 of the California Code of Regulations, Sections 42400, et seq., and doing business as Sacramento State Sponsored Research, ("Subrecipient"), which are collectively referred to as "Parties."

I. Background

A. State Grants – The Budget Act of FY 2021-22 (SB 170) established the General Fund Specified Grant Projects within the State of California Natural Resources Agency ("State"), which included funding allocations obtained by Assembly Member McCarty for the City of Sacramento referred to as the Lower American River Parkway Public Access Improvements ("Parkway Projects") and Community Reinvestment Projects ("Community Projects").

B. Parkway Projects – The State funding for the Parkway Projects, in the total amount of $10,000,000 (the "Parkway Grant"), is targeted to fund certain projects to improve access to the Lower American River Parkway.

C. Community Projects – The State funding for the Community Projects, in the total amount of $13,050,000 (the "Community Grant"), is targeted to fund a variety of capital improvement projects and programs by other government agencies and non-profit corporations.

D. State Grant Guidelines – The State has issued a Procedural Guide for the FY 2021-22 General Fund Specified Development and Acquisition Grant Projects (the "Guide"), which apply to the State Grant projects and grant recipients. This Agreement includes restrictions and obligations included in the Guide which are applicable to Subrecipient. City is the "Grantee" for the Parkway Grant and Community Grant and has entered into the applicable State Grant Agreements. City has allocated a portion of the Parkway Grant and/or the Community Grant to Subrecipient based on the State Grant’s list of projects. This Agreement also includes provisions from the State Grant Agreement which are applicable to Subrecipient.

II. Agreement
City and Subrecipient enter into this Agreement for the purpose of establishing each party’s rights and obligations with regard to the disbursement and expenditure of the State Grant for Subrecipient’s Project (defined below) as follows:

A. **State Grant Agreement.** This Agreement is subject to the terms and conditions set forth in the State Grant Agreement between the State and the City and the Guide, which are incorporated into this Agreement by this reference. If any terms and conditions of this Agreement conflict with any terms and conditions of the State Grant Agreement, the terms of the State Grant Agreement shall prevail. Copies of the State Grant Agreement and the Guide have been provided to Subrecipient prior to execution of this Agreement, and are attached hereto as Exhibits B and C. Subrecipient has entered into this Agreement based on its knowledge and acceptance of the terms and conditions set forth in the State Grant Agreement and the Guide.

B. **Term.** This Term of this Agreement commences **October 1, 2023** (the "Effective Date"), which is a date that is not earlier than the date of the State Grant Agreement, and expires on **December 31, 2025** (the "Expiration Date"), subject to early termination as provided in Sections II(C)(13) and II(l).

C. **Project Scope and Grant Funds Disbursement.**

1. **Project Funding** - Subrecipient has been awarded a portion of the State Grant for the California State University, Sacramento Innovation Center for Early Childhood Education Project (the "Project") in the amount of **$ 4,280,000** (the "Grant Funds") in accordance with Subrecipient's proposal to undertake the Project as described in **Exhibit A** (the "Scope of Work and Budget"). The Grant Funds amount is subject to reduction if the State does not fully pay City the total amount of the State Grant allocated for the Project, in which case the Parties will refine the Scope of Work and Budget set forth in **Exhibit A** to reflect the reduction in Grant Funds.

   Any deviation from the Scope of Work must be submitted to the City in writing for prior approval.

2. **Project Cost** - Subrecipient certifies that if additional funds are needed to complete the Scope of Work that Subrecipient either holds such funds, has been allocated the additional funding from other sources, has made arrangements for volunteer labor and donated materials, or otherwise has the financial capacity to undertake and complete the Project as set forth in **Exhibit A**.

3. **Site Control** - Subrecipient certifies that if Subrecipient does not own the property or properties where the Project is to be implemented, Subrecipient certifies that Subrecipient has the ability to obtain the necessary approvals, right of entry permits, or licenses required by the owner(s) of the property to
allow Subrecipient to undertake the Project in accordance with the Schedule set forth in Exhibit A.

(a) Access - Subrecipient shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request.

(b) Use of Facilities/Vehicles - Subrecipient shall maintain, operate, and use the project in fulfillment of the purpose funded pursuant to this grant as described in Exhibit A. The Subrecipient shall use the property for the purposes for which the grant was made and shall make no other use or sale or other disposition of the property for the term set forth in the State Grant Agreement and/or Exhibit A.

If the use of the property is changed to a use that is not permitted by the Agreement, or if the property is sold or otherwise disposed of, at the State’s sole discretion, the Subrecipient shall reimburse the State the amount of the Grant.

4. Permits - Subrecipient understands that it must obtain all permits and approvals required to undertake the Project prior to commencement of any construction work. The regulatory agencies may include, without limitation, the American River Flood Control District, Central Valley Flood Protection Board, California Department of Fish and Wildlife, State Lands Commission, US Army Corps of Engineers, and US Fish and Wildlife Service.

Also, as applicable, a City or County grading permit and building permit may be required if the Project is a capital improvement project.

5. Reimbursement of Prior Expenditures - The Guide states that: "Expenditure made prior to the effective date of the appropriation will not be reimbursed." SB 107 was enacted on July 12, 2021. Therefore, any Project expenditures made prior to that date are not eligible for reimbursement.

6. Eligible Subrecipient Costs - Subrecipient understands that the State will fund only direct project-related expenses and indirect expenses that can be directly tied to the Project. Subrecipient must be able to document the appropriateness of the overhead expenses; it is the responsibility of Subrecipient to maintain appropriate records for all overhead expenses and be able to provide those records in event of an audit. Overhead expenses are subject to State approval and a 15% limit.

7. Required Contractor Documents - For verification of Subrecipient's contractor payments, the State requires copies of cancelled checks, bank statements verifying electronic fund transfers, contractor invoices that are stamped "paid," or credit card statements.
8. **Payment Schedule** - Subrecipient certifies that it has sufficient funding (i.e., cash flow) to make payment to its employees and contractors to pay for work completed for the Project prior to receipt of Grant Funds. Subrecipient understands that the State releases the Grant Funds typically six to eight weeks after receipt of an invoice, and will only pay 90% of the invoice until the Project is completed. State withholds 10% from each invoice and releases this retention once the Project is completed with submittal of a final invoice.

(a) **Advancement of Funds** - If Grant Funds are advanced, the Subrecipient shall place these Funds in a separate interest-bearing account, setting up and identifying such account prior to the advance. Interest earned on Grant Funds shall be used on the Project, as approved by the State. Any overpayment of Grant Funds in excess of final project costs shall be returned to the State within **sixty (60) days** of completion of the Project or the end of the Project performance period, whichever is earlier.

9. **Invoices** - City will disburse to Subrecipient the Grant Funds based on invoices which set forth:

(a) Actual costs incurred which have been paid by Subrecipient prior to the submission of the invoice to City.

(b) The planned allocation of the remaining Grant Funds to each task in accordance with the Budget as set forth in **Exhibit A**. Subrecipient may not submit invoices for disbursements more frequently than once a month. City will forward Subrecipient's invoice to the State to make payment.

(c) Invoices and all attachments must be submitted via email to Jessica McCabe, Program Specialist for review and approval:

   a. Email: mccabe@cityofsacramento.org

(d) All invoices must contain the following information:

   a. Project Name
   b. City’s current Purchase Order Number
   c. Subrecipient Invoice Number
   d. Date of Invoice Issuance
   e. City Representative identified on the Purchase Order
   f. Subrecipient’s remit address
   g. Itemized description of items billed under invoice, including reimbursable expenses, applicable taxes, and fees
   h. Total Billed to Date under Subaward Agreement
City will issue a check to Subrecipient within 30 days after receipt of the invoice. The final invoice after completion of construction of the Project is due no later than January 31, 2026.

10. Payment Delays - Any Grant Funds invoice that is submitted without the required itemization and documentation will not be accepted. If the invoice is incomplete, inaccurate, or the required documents are not submitted with the invoice, City will inform Subrecipient and withhold submittal of the payment request to the State until all required information is received or corrected. Any penalties imposed on the Subrecipient by a contractor, or other financial consequence, because of delay in payment of Grant Funds is not reimbursable under this Agreement. No reimbursement shall be owed for services provided or costs incurred after the Expiration Date.

11. Budget Adjustment - Subrecipient shall not adjust any line item expenditure in the Budget in Exhibit A by more than 10% without the prior written approval of the City Representative listed in Section II(J). Subrecipient may submit requests for line item adjustments in accordance with the notice procedures in Section II(J).

12. Grant Disbursement - Not more than 90% of the Grant Funds may be disbursed before Subrecipient completes all of the tasks by the Schedule set forth in Exhibit A. Upon receipt of a final invoice after the Project is completed and receipt of the Final Report required under the State Grant, the remaining 10% retention will be released by the State and paid to Subrecipient by City.

Final payment is contingent upon State verification that the Project is consistent with the Scope of Work described in Exhibit A (together with any approved amendments).

13. Stop Work Order - The State has reserved the right to terminate the State Grant for any reason at any time. If the State takes such action, City will notify Subrecipient that all Project work is to cease. Once a notice of State Grant termination is provided by City to the Subrecipient, only authorized and eligible costs incurred prior to the effective date of termination will be paid to Subrecipient by City after receipt of the State Grant funds.

14. Withheld Payments - Grant Fund disbursements may be withheld by City at any time if the Subrecipient fails to timely and fully perform the Project as set forth in Exhibit A without a written justification approved by the City Representative listed in II(J).

D. Submittals. The State requires submittal of various documents regarding the Project during the Term of this Agreement. If the Project is a capital improvement project, the State requires documentation of site control, preliminary work to scope the Project, CEQA clearance for the Project, design plans and specifications,
evidence of contractor bonds and insurance, and construction inspection and progress reports. Payment of the Grant Funds may be delayed if the required documents are not timely submitted to and approved by the State. If the Scope of Work, Schedule and/or changes based on the State's review of the required documentation, then Exhibit A shall be revised and this Agreement amended to update that exhibit.

E. Reports. During the term of this Agreement, at City's or State's request, Subrecipient shall provide City with reports as required under the State Grant Agreement and the Guide that provide progress reports, photographs and other information related to the Project using the forms included in the Guide and the forms provided by City. Subrecipient shall attach to each report a certification that the Grant Funds received under this Agreement were used only for authorized Project Scope of Work as set forth in Exhibit A.

Subrecipient shall submit a final report once the Project is completed, which is required by the State before release of the final Grant Fund payment. This Section E will survive the expiration or termination of this Agreement.

F. Accounting. Subrecipient shall keep appropriate books, records and accounts in connection with the Grant Funds received and the expenditures for Project under this Agreement in accordance with generally accepted accounting practices. Subrecipient shall provide access to Subrecipient's books, records and accounts for inspection and audit by City and/or by the State for a three year period after final payment of the Grant Funds and one year following any audit. At City's election, the City Accounting Manager or his agent, at all reasonable times, may audit Subrecipient's books, records and accounts to determine whether the Subrecipient has complied with the terms of this Agreement and the State Grant Agreement. This Section 5 will survive the expiration or termination of this Agreement.

1. If the City Accounting Manager or the State determines that the Grant Funds were expended by Subrecipient for unauthorized uses, upon receipt of the written demand issued by City which details the unauthorized expenditures, Subrecipient shall reimburse City for the amount of the unauthorized expenditures.

Reimbursement shall be made by check payable to the City and delivered to the City Representative at the address set forth in Section II(J) within 30 days from the date of the demand for repayment. This Section II(F) will survive the expiration or termination of this Agreement.

G. Public Works Projects. If Subrecipient's Project is a capital improvement project, it is considered to be a "public works project" under state law. As a result, the following provisions, among other applicable laws and regulations, are required to be met.
1. **Project Plans** - Subrecipient shall arrange for the preparation of the design plans and technical specifications (the "Project Plans") for construction of the Project. The Project Plans shall include all of the Scope of Work improvements described in **Exhibit A** and be submitted to City for approval prior to the start of construction. For a Project located on City property, Subrecipient covenants that the Project Plans will be designed and prepared in compliance with the City's Standard Specifications.

The City agrees to use its best efforts and due diligence to review, provide comments regarding any necessary corrections, and approve the Project Plans in a prompt and timely manner. The City's approval shall not be unreasonably withheld or conditioned. Subrecipient must obtain written approval of the Project Plans by SMUD, PG&E and all other appropriate public entities or utility companies which will own, operate and/or maintain any portion of the utility improvements that are to be installed as part of the Project. Subrecipient covenants that the Project Plans will be designed and prepared in accordance with the applicable utility company requirements.

Subrecipient shall cause all contracts relating to preparation of the Project Plans to require the design and engineering consultants to, to the fullest extent allowed by law, indemnify, defend and hold harmless City, State, and their officers, employees and agents from and against any and all Claims (as defined in **Section II(K)** arising by reason of any death, bodily injury, personal injury, property damage or violation of any law or regulation to the extent arising from any actions or omissions of such professional in connection with the design of the Project Plans by said consultant, or any other person or entity employed by or acting as the authorized agent for said consultant. The aforesaid indemnity and hold harmless agreement shall not be limited or waived in any way based upon the fact that City and State have approved the Project Plans, or have inspected or failed to inspect construction of the Project.

2. **Bid Documents and Contract Award** - After City, and if applicable State, have given its written approval of the Project Plans, Subrecipient shall prepare the bid document that includes the approved construction plans and specifications for the Project, and shall provide City with an updated construction cost estimate and construction schedule. The bid documents shall include the requirement to post payment and performance bonds for 100% of the contract amount, maintain a minimum of $1 million in commercial general liability insurance which names the City and State as additional insureds, maintain a minimum of $1 million auto liability insurance, and maintain workers compensation insurance which includes a waiver of subrogation of the City if the Project is located on City property.

Subrecipient shall publicly solicit bids by posting the bid document in accordance with Subrecipient's bid procedures and award the construction
contract to the responsible and responsive bidder offering the lowest bid price. If the bid price exceeds the construction cost estimate, Subrecipient shall submit an updated Budget and identify any other sources of funds to be allocated to the Project if the updated total Budget amount will exceed the amount of the Grant Funds.

The bid documents shall include an obligation that the contractor warrants that the Project improvements will be free from any defects in materials and workmanship for a period of one (1) year following the date of final acceptance. The contractor's warranty may only exclude damages or defects caused by: (i) ordinary wear and tear of the Project improvements under normal usage, (ii) abuse or neglect by other persons, (iii) vandalism and acts of God, and (iv) City employees and agents.

3. Prevailing Wages - Pursuant to Labor Code Section 1773, Subrecipient shall require its contractor and subcontractors to pay their construction workers not less than the general prevailing rate of wages for such workers' craft or trade, as determined by the Director of the Department of Industrial Relations (DIR) at the time that Subrecipient issues the solicitation for bids for the Project. In accordance with state laws and DIR's regulations, at a minimum these requirements include that the contractor and all of its subcontractors must be certified with the DIR, the Project is registered with DIR, daily reports describe the work performed, workers have been interviewed to ensure proper classification, verification of fringe benefit and if applicable overtime payments occurs, apprentices were requested, and training fund payment is made. Subrecipient is responsible for ensuring that its contractor and subcontractors comply with this state law and the applicable DIR regulations.

Sacramento Regional Conservation Corps (SRCC) is certified as an apprenticeship program and is exempt from prevailing wages. SRCC's exemption from prevailing wage is defined in Labor Code Section 1720.4 as work performed by volunteers, volunteer coordinators, or conservation corps members.

4. Commencement and Completion of Construction - Subrecipient shall require its contractor to commence construction of the Project no later than three (3) months after contract award, unless an extension is approved by the City and if applicable the State, and thereafter shall insure that the contractor diligently works to complete construction of the Project in a timely and efficient manner on or before the contract completion date.

5. Inspection - Subrecipient shall at all times allow City and State representatives to inspect the property and the Project construction during the Term of this Agreement.
6. Notice of Completion — Upon completion of construction, Subrecipient shall record a Notice of Completion with the County Recorder and address any claims by laborers and subcontractors for payments owed by the contractor.

H. Non-Discrimination. Subrecipient shall not unlawfully discriminate, harass, or allow harassment of any employee of Subrecipient, any employee of Subrecipient’s contractors, or any member of the public receiving the Project’s services because of sex which includes gender identity and gender expression, race, color, religion or religious creed, ancestry, national origin, disability (mental and physical) including HIV and AIDS, medical condition (including cancer/genetic characteristics), genetic information, marital status, sexual orientation, citizenship, primary language, immigration status, or any other legally protected characteristic.

Unlawful discrimination includes denial of family and medical care leave, pregnancy disability leave, or reasonable accommodation. Subrecipient and its contractors shall ensure that the evaluation and treatment of all persons, and particularly their employees and applicants for employment, are free from such discrimination and harassment.

Subrecipient and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)—(f), are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

Subrecipient shall include this nondiscrimination and compliance provisions of this Section II(H) in all contracts to perform work for the Project under this Agreement.

I. Termination. City may terminate this Agreement prior to the Expiration Date set forth in Section II(B), if the City Manager, or his designee, determines that any of the following circumstances has occurred:

1. The State terminates the State Grant Agreement.

2. Subrecipient has improperly used the Grant Funds or violated any local, state, or federal law or policy which affects the performance of this Agreement.

3. Subrecipient has failed to submit properly itemized invoices, progress reports and other required documents on time and in proper form.

4. Subrecipient has made any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this Agreement.
5. There is pending litigation with respect to the performance by Subrecipient of any of its duties or obligations under this Agreement that may materially jeopardize or adversely affect Subrecipient's ability to implement the Project.

6. Subrecipient has failed to perform, or has performed unsatisfactorily, any term of this Agreement.

7. City has disbursed all of the Grant Funds and Subrecipient has completed the Project and submitted the progress and final reports, so there are no further obligations by any Party under this Agreement.

If City terminates this Agreement for cause prior, Subrecipient shall take all reasonable measures to prevent further costs under this Agreement.

J. Notices. Any notice, request, report, or demand under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this Section II(J) to the persons identified below or their successors.

A mailed notice, application, request, report, or demand will be effective on the second calendar day from the date it is deposited in the United States Mail addressed as set forth below with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered.

The City representative for this Subaward Agreement is:

Jessica McCabe, Program Specialist
City of Sacramento
Department of Youth, Parks, & Community Enrichment Department (YPCE)
915 I Street, 3rd floor
Sacramento CA 95814
Phone: (916) 808-6316
Email: jmccabe@cityofsacramento.org

The Subrecipient representative for this Subaward Agreement is:

Monica F. Kauppinen, Director, Sponsored Programs Administration
Sacramento State Sponsored Research
6000 J Street, Hornet Bookstore Suite 3400 MS6111
Sacramento, CA 95819-2605
Phone: (916) 278-7380
Email: mkauppi@csus.edu
Any party may change its address for these purposes by giving written notice of the change to the other parties in the manner provided in this Section II(J).

K. Indemnity. Subrecipient shall defend, hold harmless, and indemnify City, State and their respective officers, employees, and agents from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description (collectively "Claims"), including, but not limited to, (1) development, construction, operation or maintenance of the property where the Project is located, which Claims arise under Government Code Section 895.2 or otherwise, and (2) any costs reasonably incurred by the City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision, (collectively, "Liabilities"), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to Subrecipient's performance or failure to perform under this Agreement, whether or not such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, State, and their respective officers, employees, and agents. The provisions of this Section II(K) will survive the expiration or termination of this Agreement.

Nothing in this Agreement shall be construed as a waiver by City of any immunity or defense it may have relating to any such Claim, including, without limitation, immunity or defenses relating to design review and construction inspection. With respect to the performance or failure to perform of the Subrecipient's agents, Subrecipient's indemnity obligation shall be limited to the performance or failure to perform by Subrecipient's authorized agents acting within the course and scope of such agency.

L. Insurance. During the term of this Agreement, Subrecipient shall maintain at its sole expense insurance coverage as follows:

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

2. Workers' Compensation Insurance with statutory limits, and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000).
3. Automobile Liability Insurance providing limits of not less than $1,000,000 per accident for bodily injury and property damage. If the project will utilize multiple-passenger commercial transportation vehicles, such as bus or van (i.e., common carrier vehicle(s)): $5,000,000 per vehicle or such lower limits as are allowed by the California Public Utilities Commission General Order.

4. Any deductibles or self-insured retentions must be declared to and approved by the City and State.

5. Subrecipient shall grant to the City, State, and their respective officers, agents, employees, and volunteers, a waiver of any right to subrogation which any insurer of Subrecipient may acquire. Subrecipient agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not Subrecipient has received a waiver of subrogation endorsement from the insurer.

6. The Commercial General Liability policy and Auto Liability policy must contain, or be endorsed to contain, the following provisions:

   (a) The City, State, and their respective officers, employees, and agents must be covered by policy terms or endorsement as additional insureds.

   (b) Subrecipient's insurance coverage is primary insurance. Any insurance or self insurance maintained by the City, State and their officers, employees, and agents is in excess of Subrecipient's insurance and does not contribute with it.

   (c) The City must be provided with 30 days' written notice of cancellation or material change in the policy language or terms.

   Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this Section 11 must be declared to and approved by City in writing prior to execution of this Agreement.

7. Subrecipient shall furnish City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City Representative named in Section II(J). Copies of policies must be delivered to City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

8. For all insurance policy renewals during the term of this Agreement, Subrecipient shall send insurance certificates reflecting the policy renewals directly to:

   City of Sacramento
9. The City may withhold payments to Subrecipient or terminate the Agreement if the insurance is canceled or is not renewed as required by this Section II(L).

10. For any claims related to this Agreement, Subrecipient's insurance coverage shall be primary with respect to the City, the State, and their respective officers, agents and employees, and not excess to any insurance or self-insurance of the City or State. The limits of additional insured coverage shall equal the limits of the named insured coverage, regardless of whether the limits of the named insurance coverage exceed those limits required by this Agreement.

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

12. Subrecipient shall require any contractor or subcontractor to provide and maintain coverage consistent with the requirements of this Section II(L). Any professional contractor shall provide and maintain errors and omissions liability insurance appropriate to the contractor's profession and in an amount no less than $1,000,000. Errors and omissions liability insurance shall be maintained from the effective date of Subrecipient's subcontract through two calendar years after the Expiration Date.

M. Conflicts of Interest. During the term of this Agreement, Subrecipient, its officers, directors, employees, and agents shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of City and State, or that in any way hinders Subrecipient's performance of its obligations under this Agreement.

N. Compliance with Laws. Subrecipient certifies that the services to be provided to implement the Project will comply with all current applicable laws and regulations, including, but not limited to, legal requirements for construction contracts, building codes, environmental laws, health and safety codes, and disabled access laws.

O. Repayment. If Subrecipient fails to complete the project in accordance with this Agreement or fails to fulfill any other obligations of this Agreement, Subrecipient shall be liable for immediate repayment to the City any amounts disbursed under this Agreement, plus accrued interest and any further costs related to the project.
P. Miscellaneous.

1. Assignment. Subrecipient may not assign or otherwise transfer this Agreement or any interest in it without City's written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this Section 15(a) is void.

2. Successors and Assigns. This Agreement binds and inures to the benefit of the successors and assigns of the parties. This Section II(P)(2) does not constitute the City's consent to any assignment of this Agreement or any interest in this Agreement.

3. Independent Contractors. Subrecipient may assign employees and volunteers or contract with third parties to perform the services at its exclusive discretion and the services of such assigned employees, volunteers and third parties shall be at the sole expense of Subrecipient, and they shall not be entitled to any benefits payable to employees of City.

4. No Joint Venture. It is understood and agreed that each party is an independent person, entity or government agency and that this Agreement shall not create a relationship between City and Subrecipient of employer-employee, joint venture, partnership, or any other relationship of association. Except as expressly provided in this Agreement or as the parties may specify in writing, neither party shall have authority, express or implied, to act on behalf of the other party in any capacity whatsoever as an agent.

5. Interpretation and Exhibits. This Agreement is to be interpreted and applied in accordance with California law. Exhibit A is attached and incorporated into this Agreement by this reference.

6. Waiver of Breach. A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other party's breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any term or provision in this Agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

7. Severability. If a court with jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

8. Counterparts. The parties may sign this Agreement in counterparts, each of which is considered an original, but all of which constitute the same Agreement. Facsimiles, pdfs, and photocopies of signature pages of the Agreement have the same binding effect as originals.
9. *Time of Essence.* Time is of the essence in performing this Agreement.

10. *Integration and Modification.* This Agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations — written, oral, express, or implied — and may be modified only by another written agreement signed by both parties.

11. *Authority.* Each of the signatories to this Agreement represents that he/she is authorized to sign the Agreement on behalf of such party and that all approvals, resolutions and consents which must be obtained to bind such party have been obtained that no further approvals, acts or consents are required to bind such party to this Agreement.

12. *Drug-free Workplace.* Subrecipient certifies that it provides a drug-free workplace in accordance with Government Code Section 8355 (Drug-Free Workplace Act of 1900) and the terms of the State Grant Agreement.

13. *Disputes.* In the event of a dispute with the City or the State, Subrecipient shall first attempt to resolve the issue informally with the City. If the issue cannot be resolved informally, Subrecipient shall submit a grievance report with City in compliance with the State Grant Agreement.

[signature page follows]
IN WITNESS WHEREOF, this Agreement has been entered into as of the day and year first stated above.

City of Sacramento

By: ______________________
Assistant City Manager
For: Ryan Moore

Approved as to Form:

By: ______________________
Senior Deputy City Attorney

Attest:
By: ______________________
Assistant City Clerk

Subrecipient

By: ______________________
Name: Monica F. Kauppinen
Title: Director, Sponsored Programs Administration
Exhibit A

SCOPE OF WORK AND BUDGET

The Sacramento State Innovation Center for Early Childhood Education (ICECE) will be able to provide free professional development, technical assistance, and program evaluation to early childhood educators and caregivers, and will create an early childhood education network to share best practices and improve education outcomes. Sacramento State ICECE will be established on Sacramento State’s Campus.

This will involve partnering with pre-school facilities across Sacramento, including independently operated sites, those run by the Sacramento City Unified School District (DISTRICT), and the on-campus Associated Students Incorporated (ASI) Children’s Center. At each demonstration site, model programming will be offered, and new early childhood education methods will be evaluated. Best practices developed at each demonstration site will be shared with member sites in the network.

Funds will also be used for minor upgrades to existing classroom space for best practices, demonstrations and collaborative activities as well as to increase the number of preschool students and families served.

Subrecipient priorities, responsibilities, and tasks shall include the following:

1. Hire IC Early Childhood Education (ICECE) Director.

2. Identify up to five (5) to be determined Early Childhood Education (ECE) sites, which shall include professional staff development, program development, and site improvements/retrofits. Sites will be selected using criteria related to quality of programs being implemented, staff interest, and site capacity.

3. Identify which sites will include improvements, retrofits, or renovations. Provide City with updated budgets and itemized list of improvements, retrofits, or renovations.

4. Work with Sac State Scholarship office to establish scholarship and application processes and protocols to be implemented upon award of the Phase 2 funding.

5. Conduct survey of ECE educators at the sites for professional development needs and interest.

6. Complete demonstration site improvements and retrofits.

7. Identify ICECE Faculty Fellows.
8. Prepare professional learning offerings received from survey responses.

9. Conduct survey of parents associated with demonstration sites to determine educational and professional goals.

10. Design and initiate recruitment, outreach, and advising materials for future ECE teachers, including parents at sites with goals related to ECE.

11. Design and initiate recruitment and outreach materials for current ECE teachers interested in additional education and certification.

12. Implement professional learning programs for staff at demonstration sites.

13. Develop and offer professional learning networking activities, hosted by sites with support from ICECE.

14. Enroll new ECE students at each site.

15. Provide regular quarterly reports to the City; the report form will be provided by the City per state requirements.

CEQA Exemption:
CEQA Guidelines Section 15378 (a). The program services provided by this Subaward Agreement will be located at existing facilities and there is no reasonably foreseeable potential for an indirect physical change to the environment to occur from these activities. The anticipated improvements are exempt from environmental review under CEQA Guidelines sections 15301 Existing Facilities, 15303 New Construction of Small Structures, and 15304 Minor Alterations to Land.

**Prevailing Wages:**
This Agreement is subject to the provisions of the California Labor Code which requires that the DISTRICT require its contractors to pay its laborers not less than the prevailing rate of wages, as determined by the Director of the California Department of Industrial Relations (DIR) pursuant to California Labor Code section 1773, for:

A. Construction work in an amount exceeding $25,000; or

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

Some of the projects listed above meet these monetary thresholds. For those projects, DISTRICT shall require its contractors to be registered with DIR, submit verification of labor compliance, and make payment into the apprenticeship fund as required under state law and DIR regulations.
## Budget

### PHASE ONE - Deliverables 1 & 2 ($4.28M from 2021/22 Funds)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Adjusted Year 1</th>
<th>Adjusted Year 2</th>
<th>Adjusted Year 3</th>
<th>Adjusted Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sacramento State Personnel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center Director TBD</td>
<td>$140,000</td>
<td>$145,000</td>
<td>$150,000</td>
<td>$435,000</td>
</tr>
<tr>
<td>Staff TBD - center and event coordination for Prof Dev sessions</td>
<td>$60,000</td>
<td>$61,200</td>
<td>$62,424</td>
<td>$183,624</td>
</tr>
<tr>
<td>Faculty Fellows TBD - additional employment @ $12,000 x 4 fellows</td>
<td>$48,000</td>
<td>$48,960</td>
<td>$49,939</td>
<td>$146,899</td>
</tr>
<tr>
<td>Faculty Fellows TBD - release time 5 fellows <em>3 units</em>2 semesters @ $3300/unit</td>
<td>$99,000</td>
<td>$100,980</td>
<td>$103,000</td>
<td>$302,980</td>
</tr>
<tr>
<td><strong>Sacramento State Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62.3% Faculty/Staff release time benefit rate (2% increase in yr 3)</td>
<td>$148,897</td>
<td>$153,246</td>
<td>$162,679</td>
<td>$464,821</td>
</tr>
<tr>
<td>12% Staff part-time casual benefit rate</td>
<td>$7,200</td>
<td>$7,344</td>
<td>$7,491</td>
<td>$22,035</td>
</tr>
<tr>
<td>12% Faculty additional employment benefit rate</td>
<td>$5,760</td>
<td>$5,875</td>
<td>$5,993</td>
<td>$17,628</td>
</tr>
<tr>
<td><strong>Subawards/Subcontracts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sacramento City Unified School District (SCUSD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subaward costs may include:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Improvement costs (classroom &amp; playground upgrades, etc.)</td>
<td>$1,200,000</td>
<td>$100,000</td>
<td>$0</td>
<td>$2,099,916</td>
</tr>
<tr>
<td>Stipends for demonstration site directors</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td>PD teacher stipends/incentive payments (3 Demo sites @ 6 Teachers each)</td>
<td>$163,350</td>
<td>$166,617</td>
<td>$169,949</td>
<td></td>
</tr>
<tr>
<td>PD event substitute costs ($350/day x 5 days x 30) - Years 2 &amp; 3 only</td>
<td>$0</td>
<td>$52,500</td>
<td>$52,500</td>
<td></td>
</tr>
<tr>
<td>PD extension activities - $5,000 per visiting team up to 5 - Years 2 &amp; 3</td>
<td>$0</td>
<td>$25,000</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>Demo Site Material/Supplies</td>
<td>$33,500</td>
<td>$33,500</td>
<td>$33,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal SCUSD</strong></td>
<td>$1,411,850</td>
<td>$392,617</td>
<td>$295,449</td>
<td>$2,099,916</td>
</tr>
<tr>
<td><strong>ASI Children's Center</strong> - PD activities TBD, no capital improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Travel to conferences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 in-state conferences/year: Airfare $250;</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

4 of 4
<table>
<thead>
<tr>
<th>Description</th>
<th>Phase One</th>
<th>Phase Two</th>
<th>Phase Three</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging $225/night x 2; Per Diem $62 x 3; Local transp $60</td>
<td>$17,000</td>
<td>$17,000</td>
<td>$17,000</td>
<td>$51,000</td>
</tr>
<tr>
<td>ICECE Center Materials/Supplies</td>
<td>$17,000</td>
<td>$17,000</td>
<td>$17,000</td>
<td>$51,000</td>
</tr>
<tr>
<td>ECE Pathways outreach, recruitment, and enrollment costs</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>External Consultant/Counsel - Public Works, DIR expertise and compliance review</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,313</td>
<td>$75,313</td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td><strong>$2,032,157</strong></td>
<td><strong>$1,027,761</strong></td>
<td><strong>$950,937</strong></td>
<td><strong>$4,010,855</strong></td>
</tr>
<tr>
<td><strong>Indirect Costs at 15% Modified Total Direct Costs</strong>*</td>
<td><strong>$92,379</strong></td>
<td><strong>$86,941</strong></td>
<td><strong>$89,826</strong></td>
<td><strong>$269,145</strong></td>
</tr>
<tr>
<td><strong>Total Costs - Phase One</strong></td>
<td><strong>$2,124,536</strong></td>
<td><strong>$1,114,701</strong></td>
<td><strong>$1,040,763</strong></td>
<td><strong>$4,280,000</strong></td>
</tr>
</tbody>
</table>

*Max F&A rate allowable, per CNRA contract with City. Modified Total Direct Costs excludes the amount of subawards > than $25K from indirect calculation.