

File ID: 2025-00662

4/29/2025

**Department of Community Response: Roseville Road Campus Operations Agreement
[Published for 10-Day Review 04/17/2025]**

File ID: 2025-00662

Location: Citywide

Recommendation: Pass a **Motion** authorizing the Interim City Manager or designee to execute an agreement with First Step Housing dba First Step Communities for operations of Roseville Road Campus in an amount not-to-exceed \$2,523,226.

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

Attachments:

1-Description/Analysis

2-First Step Communities Roseville Road Campus Agreement

Description/Analysis

Issue Detail: In August 2023, City Council gave the City Manager authority to identify and stand up new safe camping sites, and in January 2024, the City opened Roseville Road Campus (“RRC”), a new shelter and service campus at 3900 Roseville Road. With the launch of the Roseville Road Campus, all operations and services at Miller Park - the City’s former safe camping and safe parking site - were transitioned to the new campus. At the time, the City extended its contract with First Step Communities to assist in quickly getting the essential new campus operational, ensuring a seamless transition from Miller Park to RRC without a lapse in vital services.

In July 2024, the Department of Community Response’s (“DCR”) Office of Community Outreach released a Request for Proposals (“RFP”) for RRC Operations. However, a contract was not awarded through this RFP process as DCR was later notified in September 2024 that it was awarded a \$12,353,419 grant from the State’s Encampment Resolution Fund (“ERF”) grant program. This funding will allow for the expansion of RRC in the northern section of the property and will fund the addition of 100 pallet style homes and electricity, as well as the continuation of high intensity outreach and services and enhanced shelter and housing support to program participants.

Due to the expanded scope of operations of RRC, DCR issued an updated RFP to reflect the updated scope of work. On December 10, 2024, Council approved the suspension of competitive

bidding (Motion No. 2024-0374) for RRC Operations, and on January 9, 2025, DCR released the updated RFP for RRC Operations (P25231021005).

DCR received three (3) proposals in response to the RRC Operations RFP, and after a thorough review, the panel selected First Step Communities to operate the Roseville Road Campus. The panelists were asked to rank proposals based upon the following criteria categories outlined in the RFP:

- Qualifications Summary and Organization History
- Capacity
- Service Approach
- Outcomes and Impact
- Budget and Budget Justification

DCR recommends City Council approve an agreement with First Step Communities in the amount of \$2,523,226 for one year of operations of the current RRC site. Review and negotiations for the northern expansion are still taking place and will be brought back for City Council approval when final.

RRC is operational 24/7 and includes approximately 100 units, consisting of a combination of sleeping cabins and travel trailers. Pets are allowed and limited to 50% of available units; 2 pets maximum per unit. The program provides two meals per day, case management, and linkages to both social services and housing navigation to ensure the success of participants in the program.

RRC services and support include providing a safe space to stay overnight, introducing guests to the Continuum of Care and assisting them with enrollment into mainstream services, and triage into appropriate shelter and housing programs in the community. Upon entrance to RRC and enrollment into the program, individuals are provided with supportive items, such as clothing, blankets or personal care items, as needed.

Entry into the Roseville Road Campus is available via direct referral from DCR or through a coordinated referral process with one of DCR's authorized contractors. Walk up and self-referrals are not allowed.

In 2024, FSC produced the following outcomes at the RRC:

- Served 333 people
- 213 total people exited the program
- 24% of those who exited, exited to a positive destination
- 18% of people were moved into Permanent Housing

Policy Considerations: Pursuant to Sacramento City Code section 3.56.090, any agreement for non-professional services that is for \$250,000 or more requires City Council approval.

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 April 17, 2025, in compliance with City Code.

Economic Impacts: None.

Environmental Considerations:

The City considered the potential effects on the environment at the time the site was proposed and approved for operation. The City concluded that it could determine with certainty that no significant effects would result from establishing and operating the Roseville Road Campus, and that pursuant to CEQA Guidelines section 15061(b)(3) the activities were exempt from the California Environmental Quality Act (CEQA). This action includes minor improvements to a developed site, with negligible ground disturbance. A Notice of Exemption was posted on January 8, 2024.

Sustainability: None.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Services provided by this agreement address the ongoing need for safe supportive services for individuals experiencing homelessness.

Financial Considerations: Sufficient funding is available (Measure U, Fund 2401) in the Community Response MYOP (I23000100) to execute an agreement with First Step Communities for an amount not to exceed \$2,523,226.

Local Business Enterprise (LBE): First Step Communities is an LBE.

CONTRACT ROUTING SHEET

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

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): _____
Contract Effective Date: 05/01/2025 Contract Expiration Date (if applicable): 04/30/2026
\$ Amount (Not to Exceed): \$ 2,523,225.04 Adjusted \$ Amount (+/-): _____
Other Party: First Step Housing DBA First Step Communities
Project Title: Roseville Road Campus
Project #: I23000100 Bid/RFQ/RFP #: P25231021005
City Council Approval: YES if YES, Council File ID#: 2025-00662

Contract Processing Contacts

Department: City Manager Project Manager: Brian Pedro
Contract Coordinator: Hang Tran Email: httran@cityofsacramento.org

Department Review and Routing

| | | |
|--------------------------|-------------|--------|
| Accounting: | _____ | _____ |
| | (Signature) | (Date) |
| Supervisor: | _____ | _____ |
| | (Signature) | (Date) |
| Division Manager: | _____ | _____ |
| | (Signature) | (Date) |
| Other: | _____ | _____ |
| | (Signature) | (Date) |

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

Recording Requested **Other Party Signature Required**

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

CONTRACT #:
CONTRACT NAME: Roseville Road Campus
AGREEMENT TERM: One Year, 5/1/25-4/30/26
AUTHORIZED RENEWALS: 4
DEPARTMENT/DIVISION: Department of Community Response / Community Outreach Division

PROJECT: I23000100
NOT-TO-EXCEED AMOUNT: \$2,523,225.04
SOLICITATION: P25231021005
LBE (Y/N): Y

CITY OF SACRAMENTO

NONPROFESSIONAL SERVICES AGREEMENT

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

First Step Housing DBA First Step Communities
P.O Box 188228
Sacramento, CA 95818
916-822-4900 / swatters@firststepcommunities.org

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

The City and Contractor agree as follows:

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

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

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

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

Contractor will not be compensated for non-professional services outside the scope of Exhibit A (“Additional Services”) unless, before providing Additional Services: (a) Contractor notifies City and City agrees that the Additional Services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these Additional Services; and (c) City, after

notice, approves in writing a Supplemental Contract specifying the Additional Services and the amount of additional compensation to be paid Contractor.

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

4. **Payment.** City shall pay Contractor at the times and in the manner set forth in Exhibit B. Contractor shall submit all invoices to City in the manner specified in Exhibit B.
5. **Facilities and Equipment.** Except as set forth below, Contractor shall, at its sole cost and expense, furnish all facilities and equipment required for Contractor to perform this Contract. City shall furnish to Contractor only the facilities and equipment listed below, if any.

N/A

6. **Insurance.** Contractor shall, at its sole cost and expense, maintain the insurance coverage described in the attached Exhibit C.
7. **General Conditions.** Contractor shall comply with the terms and conditions set forth in the attached Exhibit D.
8. **Non-Discrimination in Employee Benefits.** This Contract may be subject to Sacramento City Code chapter 3.54, Non- Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance)," can be viewed at:

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

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

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

9. **Living Wage.** This Contract may be subject to Sacramento City Code chapter 3.58, Living Wage. A summary of the requirements, entitled "Living Wage Requirements", can be viewed at: <https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>. The Living Wage Ordinance is applicable to certain contracts with the City in an amount of \$250,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is \$250,000 or more over a 12-month period.

Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.58. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance.

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

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

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

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

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

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

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

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

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

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

Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code

chapter 3.64. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.64 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.64.

Contractor's violation of Sacramento City Code chapter 3.64 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

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

[Signatures Page Following Exhibits]

EXHIBIT A

SCOPE OF SERVICES

1. Representatives.

The CITY Representative for this Agreement is:

*Brian Pedro, Director
Department of Community Response
10001 Street - Suite #120, Sacramento, CA 95814
Bpedro1@cityofsacramento.org*

The CONTRACTOR Representative for this Agreement is:

*Stephen Watters, Chief Executive Officer
First Step Housing DBA First Step Communities
P.O Box 188228, Sacramento, CA 95818
916-822-4900 / swatters@firststepcommunities.org*

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

- 2. Scope of Services.** Contractor shall provide Services to City as set forth in Attachment 1 to this Exhibit A.
- 3. Time of Performance.** The Services described in this Contract shall be provided through April 30, 2026. The City may extend this Contract for additional terms, provided that the total Contract term, including any extensions, does not exceed five years. Contractor shall provide the Services in accordance with any schedule in Attachment 1 to this Exhibit A. Contractor shall immediately notify the City if Contractor is unable to perform Services in compliance with this Contract.

EXHIBIT B

PAYMENT

1. **Contractor's Compensation.** The total of all fees paid to the Contractor for the provision of Services as set forth in Exhibit A, including any authorized reimbursable expenses, shall not exceed the total sum of \$ 2,523,225.04. The payments specified in this Exhibit B shall be the only payments made to Contractor unless the City approves a Supplemental Contract.
2. **Pricing.** Contractor shall be paid as set forth in Exhibit A or Attachment 1 to this Exhibit B and any applicable special provisions included in the request for bids or proposals. If there is a conflict between Exhibit A or Exhibit B and the Special Provisions, Exhibit A or Exhibit B controls.
3. **Contractor's Reimbursable Expenses.** "Reimbursable Expenses" are limited to actual expenditures of Contractor for expenses that are necessary for the proper satisfaction of the Contract and are only payable if specifically authorized in advance in writing by the City.
4. **Miscellaneous Charges.** No additional charges will be allowed unless specified in the Contract, including charges for transportation, fuel, containers, packing, or disposal.
5. **Payments to Contractor.** Contractor is responsible for supplying all documentation necessary to verify invoices to the City's satisfaction.
 - A. Payment terms are NET 30 days, unless the Contractor offers a prompt payment discount that was accepted by the City or as otherwise stated in this Contract. Any prompt payment discounts will be computed from the date of acceptance by the City, or from the date an invoice is received, whichever occurs later.
 - B. Invoices must be submitted to either of the addresses specified below.
 - (1) Email. Submit email invoices and any attachments to:
apinvoices@cityofsacramento.org
 - (2) Postal Mail. If emailing is not an option, mail to:
A/P Processing Center
City of Sacramento
915 I Street, Floor 4
Sacramento, CA 95814-2608
 - C. All invoices submitted by CONTRACTOR must contain the following information:
 - (1) Job/Project Name
 - (2) CITY's current Purchase Order Number
 - (3) Contractor's Invoice Number
 - (4) Date of Invoice Issuance
 - (5) Work Order Number (if applicable)
 - (6) CITY representative identified on the Purchase Order
 - (7) Contractor's remit address

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

D. Items must be separated into Goods, Services, and Reimbursable Expenses. All applicable sales, use, excise, or similar taxes, including federal excise tax, must be itemized separately on the invoice. Invoices that do not conform to the format outlined above will be returned to Contractor for correction. City is not responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above.

E. For Goods only, a bill of lading number and weight of shipment will be shown for shipments on the Government Bill of Lading.

F. Unless otherwise specified in this Contract, partial payments will not be made by the City and payment will not be due until the completion of the Goods order. No payment precludes the City's right to inspect. Requests for payment status should be addressed to the City Representative for this Contract.

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

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

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

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

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

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

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

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

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

- A. Payment of Prevailing Wages: Contractor and any subcontractor(s) performing any Public Work shall comply with the provisions of Sacramento City Code section 3.60.040 and applicable provisions of the California Labor Code, which require, among other things, that Contractor and all subcontractors pay not less than the prevailing rate of wages, as determined by the Director of the California Department of Industrial Relations (“DIR”) in accordance with California Labor Code section 1773. Contractor and every subcontractor shall maintain payroll records and submit certified payrolls and other labor compliance documentation electronically when and as required by CITY. In addition, Labor Code Section 1771.4 requires the Contractor and any subcontractor performing any Public Work to furnish electronic payroll records directly to the Labor Commissioner. Contractor shall include these requirements in every subcontract.

This Agreement is subject to compliance monitoring and enforcement by the DIR, as specified in California Labor Code section 1771.4. The Contractor and any subcontractor will be subject to withholding and penalties for violation of prevailing wage requirements in accordance with applicable law, including Labor Code Sections 1726, 1741, 1771.5, and 1775, and City Code Section 3.60.040. Questions regarding the City’s Labor Compliance Program should be directed to the City Representative.

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

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

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

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

- C. Workers' Compensation Certification. In accordance with California Labor Code Section 1861, by signing this Contract, Contractor acknowledges and represents that Contractor is aware of the provisions of section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with the provisions of the Labor Code before commencing performance under this Contract.
- D. Apprentices. If this Contract is for the performance of any Public Work, and the amount of the Contract is \$30,000 or more, the Contractor and any subcontractors performing any Public Work under this Contract must comply with and be subject to enforcement under, the provisions of Sacramento City Code Section 3.60.050, Section 1777.5 et seq. of the California Labor Code, and implementing regulations set forth in Title 8 of the California Code of Regulations, governing the employment of apprentices. The Contractor and any subcontractors performing Public Work will be subject to penalties for apprenticeship violations in accordance with Labor Code Section 1777.7.
- E. Working Hours. If this Contract is for the performance of any Public Work, Contractor and any subcontractors performing any Public Work under this Contract must comply with and be subject to enforcement under, the provisions of Sacramento City Code Section 3.60.040 and California Labor Code Section 1810 et seq., governing the working hours of employees performing Public Work.
- F. Failure to Comply with Labor Compliance. If all applicable labor compliance requirements are not met, the City will have the right to withhold or reject a payment request and/or invoice, in whole or in part, without in any way relieving Contractor or its subcontractors of any obligations under this Contract.
- G. Subcontractors. The Contractor shall include these provisions A through F in every subcontract or sub-agreement for any subcontractors performing work under this Contract.

EXHIBIT C

INSURANCE

1. **Insurance Requirements.** During the entire term of this Contract, Contractor shall maintain the insurance coverage described in the Insurance Terms below.

Full compensation for all premiums that Contractor is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Contract. No additional compensation will be provided for Contractor's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

If the CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown below, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the Contractor and subcontractors, products and completed operations of Contractor and subcontractors, and premises owned, leased, or used by Contractor and subcontractors, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy. If a general aggregate limit applies, either the general aggregate limit shall apply separately (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

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

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

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

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

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

“Contractor certifies that a motor vehicle will not be used in the performance of any work or services under this agreement. If, however, Contractor does transport items under this Contract, or this Contract is amended to require any employees of Contractor to use a vehicle to perform services under the Contract, Contractor understands that it must maintain and provide evidence of Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.”

4. **Excess Insurance.** The CONTRACTOR may use Umbrella or Excess Policies to meet the required liability limits. This form of insurance will be acceptable provided that any umbrella or excess policies provide all of the insurance coverages required and meet the other requirements for the primary policies as set forth in this Agreement. Umbrella and/or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided in the underlying primary policy.

Umbrella or excess policies shall contain, or be endorsed to provide that the City, its officials, employees, and volunteers shall be covered as additional insureds, as well as a provision that it will apply on a primary basis for the benefit of the City. Any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of Contractor's umbrella or excess coverage and will not contribute to it. No insurance or self-insurance maintained by the City that applies to a loss covered herein, whether Primary or Excess, and which also applies to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's Primary and Excess liability policies are exhausted.

5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision.*)

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

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

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

“Contractor certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, Contractor hires any employee during the term of this Contract, Contractor understands that Workers' Compensation with statutory limits

and Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City."

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:
 - A. Contractor's insurance coverage, including excess insurance, shall be primary and non-contributory insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers will be in excess of Contractor's insurance and will not contribute with it.
 - B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.
 - C. Coverage shall state that Contractor's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - D. Contractor shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.
7. **Waiver of Subrogation.** CONTRACTOR hereby grants to City a waiver of any right to subrogation which any insurer may acquire against the City by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from an insurer.
8. **Acceptability of Insurance.** Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Contract.
9. **Verification of Coverage.**
 - A. Contractor shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.
 - B. Contractor shall send all insurance certificates and endorsements, including policy renewals, during the term of this Contract directly to:

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

C. Certificate Holder must be listed as:

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

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

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

EXHIBIT D

GENERAL CONDITIONS

1. Independent Contractor.

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

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

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

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

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

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

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

8. Contractor Information.

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

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

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

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

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

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

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

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

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

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

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

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

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

16. Indemnity.

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

17. Funding Availability.

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

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

its assignees and successors in interest, agrees as follows:

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

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

27. Debarment Certification

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

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

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

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

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

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

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

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

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

Roseville Road Campus

Attachment 1 to Exhibit A

Scope of Services

First Step Housing DBA First Step Communities ("FSC") will operate Roseville Road Campus ("RRC"), located at 3900 Roseville Road.

Services to be provided at the Roseville Road Campus include providing individuals experiencing homelessness a safe space to stay overnight, introducing them to the Continuum of Care, and assisting them with enrollment into mainstream services and triage into appropriate shelter and housing programs in the community. Roseville Road Campus will be operational 24/7.

I. Client Supports

Upon entrance to the Roseville Road Campus and enrollment into the program, FSC will provide individuals with supportive items, such as clothing, blankets or personal care items, as needed. FSC will provide food for guests, including two hot meals per day. FSC will also provide the rental of and continued maintenance for accessible restroom service.

II. Access

Entry into the Roseville Road Campus is limited to two routes:

1. Direct referral from the City's Department of Community Response ("DCR"), Office of Community Outreach ("OCO").
2. Coordinated referral process from one of the DCR authorized contractors.

During intake, FSC will provide a client agreement to be read and signed upon entry.

III. Capacity

RRC includes 32 trailers, with a minimum of two people per trailer, and 61 pallet homes (cabins), with a minimum of one person per cabin. FSC will maintain the ability to increase capacity to three people per trailer and two people per cabin, depending on the needs of the program.

Pets are allowed and limited to 50% of available units; 2 pets maximum per unit.

IV. Staffing

FSC will maintain the following staff positions to operate the Roseville Road Campus:

| # of FTE | Position |
|--------------|--|
| 0.05 | Executive Director |
| 0.25 | Operations Manager |
| 0.25 | Manager of Client Services |
| 1 | Program Manager |
| 2 | Supervisor (Swing / Grave) |
| 14.4 | Client Support Associate – Shift Support |
| 1 | Case Manager Supervisor |
| 3 | Case Manager |
| 3 | Housing Specialist & Ongoing Rapid Rehousing Support |
| 1 | Facilities Maintenance Coordinator |
| 25.95 | Total |

V. Responsibilities

FSC will be responsible for the purchase of cots for participants, replacement beds and bedding for all pallet homes and trailers. The City will reimburse FSC for these expenses incurred as part of the monthly invoicing process.

FSC will be responsible for providing cleaning and maintenance to restrooms and showers located at 3900 Roseville Road. If a situation arises that needs the attention of City staff, FSC shall notify the City as soon as possible.

VI. Incident Reports

Should a reportable event occur, FSC must notify the City no more than 12 hours after the incident has occurred. A written report should be provided to DCR's OCO Management within three (3) days.

A reportable event includes **but is not limited to** the following:

- Death of a client
- Facility related injury requiring medical treatment
- All cases of communicable diseases
- Poisonings
- Catastrophes related to a natural disaster
- A fire or explosion on the premises
- Specific information to provide:
 - o Date/time incident occurred
 - o Client Homeless Management Information System (HMIS) Unique ID Number (if applicable)
 - o Staff names (if applicable)

VII. Program Deliverables

FSC shall comply with the following program deliverables:

1. FSC shall be responsible for all daily program operations in accordance with the attached Roseville Road Campus Good Neighbor Policy and Operational Overview (Attachment 2 to Exhibit A).
2. Maintaining the Program at or near capacity at any given time.
3. Encouraging the proper storage of personal belongings and the proper disposal of trash.
4. Providing guest centered services, this includes but is not limited to the following:
 - a. Case management
 - b. Linking to resources that address physical health, behavioral health, housing, employment, and other basic needs.
 - i. This includes providing clothing, warming/cooling supplies, assistance with documentation, blankets, hygiene supplies, and other similar items individuals experiencing homelessness may need.
 - c. Facilitating referrals to other community-based supports and appropriate social services.
5. Encouraging entry into available shelter beds and housing programs.
6. Deescalating individuals in mental health crises using evidence-based practices. This includes providing monthly staff trainings to ensure staff are trauma informed, culturally competent and engaged in harm reduction practices.

7. Agree to an open information exchange between First Step Communities and DCR to best assist persons in obtaining services and engaging with local resources.
8. DCR field staff will send referrals directly to OCO Management. OCO Management will review all relevant HMIS information and either approve or deny the referral directly with DCR field staff. Upon approval from OCO Management, First Step Communities will be provided the client's UID information and estimated time of arrival by OCO Management, once available.
 - a. OCO Management will thoroughly review each referral's HMIS history to ensure approvals are appropriate for the program.
 - i. Appropriate reasons for denial include:
 - Shelter, re-housing and other critical needs are best served by another resource or system of care (e.g. in-patient psychiatric treatment, specialized care facility, etc.)
 - Conduct from prior stay at the RRC that puts the health and safety of staff or participants at risk (e.g. violence, weapons violations, or egregious damage to property)
 - ii. Should the client have had an unsuccessful exit, they will be subject to a second chance agreement, filed with First Step Communities.
 - iii. Notes in HMIS that pertain to program exits occurring prior to 2023, regardless of provider, are not applicable as grounds for denial of a referral.
 - b. Intake will be limited to the hours of 9 am – 3 pm, Monday-Friday, with the ability to conduct intake on the weekends on an as needed basis.
9. Engage with DCR's citywide cleanup services contractor to minimize neighborhood trash impact.
10. Any concerns related to the Roseville Road Campus shall be directed to the Department of Community Response, Office of Community Outreach.

The City will provide the necessary staff with office space at 3900 Roseville Rd., Sacramento, CA 95660. FSC will continue to provide appropriate technological equipment to staff, including laptops/tablets/computers with internet connectivity. As well as Wi-Fi and internet accessibility to clients.

VIII. Program Exits

All policies and procedures, as well as any changes to policies and procedures related to program exits from the RRC must be shared with DCR OCO Management. Exits shall follow the standards below.

1. All program exits should be conducted by the program in a trauma-informed manner utilizing a harm-reduction approach, and in a manner that is compliant with all applicable disability laws, including requirements for reasonable accommodation.
2. Only the following reasons may be used as a basis for involuntary exit from the program, and must occur on the program's premises or otherwise indicate an imminent threat to the health and safety of people at the program:
 - a. Sexual assault and/or verbally or physically threatening behaviors that rise to the level of a "direct threat" to persons or property, as defined in paragraph (3) of subdivision (b) of Section 12179 of Title 2 of the Code of California Regulations;
 - b. Physical violence to staff or other program participants;
 - c. Direct observation of participant engaging in illegal activity onsite;
 - d. Possession of an illegal weapon at the facility;

- e. Theft;
 - f. Destruction of property;
 - g. Restraining order precluding continued residence;
 - h. Presence of infectious disease that significantly increases the risk of harm to other participants;
 - i. Individual requires care and supervision to manage their activities of daily living (feeding, toileting, selecting proper attire, grooming, maintaining continence, putting on clothes, bathing, walking and transferring) without appropriate supports available onsite.
 - i. Individuals discharged due to care and supervision needs cannot be discharged to the streets.
3. Participants may be involuntarily exited for refusing multiple housing opportunities only after every effort is made and opportunity offered to engage the participant in housing-focused services; however, document evidence must exist demonstrating that program staff actively attempted to engage the participant in services designed to support program exit to stable housing with consideration given to each participant's barriers to engagement and in accord with evidence-based practices (e.g., motivational interviewing and problem-solving).
 4. The program holds beds for 72 hours when a participant does not return. If a participant is absent from their bed for 72 hours without appropriate notification of program staff regarding absence, the Participant may be discharged and the bed offered to a new participant.
 5. The program will inform involuntarily exited participants in writing of the reason for discharge, the conditions for lifting the restriction and right to appeal, including whom to contact regarding an appeal and information about the appeal process.
 6. Unless the participant poses an immediate threat to the health and safety of other participants and/or staff members, the program avoids involuntarily exiting participants at night.
 7. The program has a written policy for the storage of belongings after a participant exits, which includes storage of belongings for at least five (5) working days after participant exits and a clear process for discharged participants to reclaim their possessions. A copy of the policy is provided to all participants at intake.

IX. Reporting Requirements/ Monitoring

During intake, First Step Communities shall enroll all individuals into the Roseville Road Campus Program within the Homeless Management Information System (HMIS), with enrollment occurring no later than 12 hours after intake. FSC will update information in HMIS as needed. FSC is required to follow HMIS guidelines regarding entering information into the system.

FSC will send a daily morning email to DCR's OCO Management on the availability of cabins, pet spots, and trailers within the program.

FSC will submit monthly Status Reports to DCR's OCO Management including the following information:

- Total number of clients who have completed intake in the given month, regardless of whether they are still in the program.
- Total number of clients actively enrolled in the Roseville Road Campus Program within HMIS.
- Total number of positive exits and their exit destination.
- Total number of incidents that have occurred and a brief summary of each.

In addition to the monthly reporting requirement and monthly invoices, FSC shall permit the City to conduct at least one desk audit and/or onsite monitoring visit during the one-year term. During the desk audit and/ or onsite monitoring visit, the City shall request to see documentation corroborating expenses claimed including but not limited to timesheets, payroll summaries, travel mileage reports, and receipts. FSC will allow DCR Office of Community Outreach management staff 24-hour access to the Campus as needed.

Attachment 2 to Exhibit A

Good Neighbor Policy and Operational Overview

A. Purpose and Mutual Goals.

Providing services, temporary shelter, and permanent housing for those experiencing homelessness requires a collaborative effort. This Good Neighbor Policy and Operational Overview is designed to recognize the need for communication, understanding, and mutual respect to foster positive relationships and proactively prevent issues that First Step Communities (FSC) may encounter in managing and operating Roseville Road Campus (RRC) located at 3900 Roseville Road.

Parties entering into this Policy share a common desire to:

- Create a peaceful, safe, clean, and beautiful neighborhood and community;
- Support diversity and inclusion;
- Support and foster the success of clients;
- Respect others and their property;
- Share respectful, open and honest communication;
- Help each other address concerns and solve problems;
- Maintain a peaceful, safe, and clean neighborhood and community;
- Offer public service for the benefit of the neighborhood and community;
- Be an active partner that works to help sustain the overall surroundings and economic environment of the immediate neighborhood.

B. Program Description.

- In an effort to better protect the health and safety of persons experiencing unsheltered homelessness, FSC shall manage and operate Roseville Road Campus.
- Services include providing a safe space to stay overnight, introducing individuals to the Continuum of Care, and assisting them with enrollment into mainstream services and triage into appropriate shelter and housing programs in the community.
- Roseville Road Campus shall be operational 24/7 and capacity shall be limited to: 32 trailers, with a minimum of two people per trailer, and 61 Pallet Homes (cabins), with a minimum of one person per cabin.
- All Roseville Road Campus guests shall be entered into the Sacramento Homeless Continuum of Care's Homeless Management Information System (HMIS) and receive case management support, in addition to two meals per day and snacks, as well as basic needs supplies.

C. Communication.

- FSC and the Department of Community Response (DCR) shall maintain an open information exchange to ensure optimal outcomes.
- Contact List. The program will maintain a current phone and email list of agencies that will include all key personnel associated with the program.
- Incident Reports. Should a reportable event occur, FSC must notify the City within a reasonable timeframe, no more than 12 hours after the incident has occurred. A written report should be provided to DCR's Social Services Manager within three (3) days. A reportable event includes but is not limited to the following:
 - Death of a client
 - Facility related injury requiring medical treatment

- All cases of communicable diseases
- Poisonings
- Catastrophes related to a natural disaster
- A fire or explosion on the premises
- Dispute Resolution. The Program will establish procedures for resolving disputes and complaints on an expedited basis and such disputes and complaints will be given high priority.
- Community Engagement. FSC will be committed to meeting with neighbors, businesses, and other community stakeholders on an ongoing basis.
- Client Agreements. FSC will provide all clients with a client agreement to be read and signed upon program entry. The client agreement should include a summary of the provisions of the Good Neighbor Policy.

D. Issue Resolution.

The Policy is predicated on the assumption that program operators, program staff, and partner entities will:

- Participate in collaborative problem solving around issues that arise in the area of the facility;
- Use and promote direct, respectful, and civil communication;
- Encourage a sense of safety, welcome, and investment in the neighborhood;
- Report crime and suspicious activities in the neighborhood to the Police Department; and
- Jointly and directly resolve problems as quickly as possible with the first line of communication accomplished as one-on-one dialogue via in-person conversation, a telephone call, or an email with the parties involved before escalating to a higher level.

If the steps above do not resolve the issues, community complaints about the facility can be submitted to the Department of Community Response at bpedro1@cityofsacramento.org.

E. Operations.

- Entry into Roseville Road Campus is limited to direct referral from the Department of Community Response, Office of Community Outreach or through a coordinated referral process from one of DCR's authorized contractors.
- The facility operator shall ensure that all operations take place on-site and that no operator, partner entity, or client activities occur in the public right-of-way.
- The facility operator shall ensure that the site is inspected and maintained daily to be free and clear of litter. The area around the program shall be kept clean, with no visible negative impact to the neighborhood.
- Sidewalks, entryways, driveways immediately adjacent to and surrounding the site shall be unobstructed.
- The distribution of food, clothing, or other similar services by the facility operator or partner entities shall take place on-site.
- Within 72 hours of receiving notice from the City of graffiti on the walls, the facility operator shall remove the graffiti and shall restore the wall to its original condition.
- Staff members and service providers of the facility shall park on-site or in designated areas.
- **Loitering is prohibited.**
- Staff, partner entities, clients, and visitors shall not litter or dispose of items that would generate litter in the neighborhood.
- Noise will be kept under control. Amplified sounds shall not be audible from the property line. Excessive noise will be actively monitored and prohibited.

- Smoking is prohibited on the public right- of-way. Smoking shall occur within a designated location away from neighboring properties.
- Client Intake Rules. Intake will be allowed between the hours of 9am-3pm, Monday- Friday. Intake hours may be extended past 3pm and on weekends at the discretion of the Department of Community Response. Clients will be allowed to complete intake after receiving prior approval via DCR's referral process and transport via DCR staff.

F. Client Support:

- FSC shall provide guest centered services, which may include but is not limited to the following:
 - Case management
 - Linking to resources that address physical health, behavioral health, housing, employment, and other basic needs.
 - This includes providing clothing, warming/cooling supplies, assistance with documentation, blankets, hygiene supplies, and other similar items individuals experiencing homelessness may need.
- Facilitating referrals to other community-based supports and appropriate social services.
- Encouraging entry into available shelter beds and housing programs.

G. Health and Safety and/or Code of Conduct.

- Rules for Safe and Healthy Conditions: The program operator shall establish procedures for maintaining safe and healthy conditions at and around the program site and for clients entering the program to receive information, both written and verbal, regarding safety, health and security rules and regulations. Such rules will also be provided to neighborhood businesses, residents, and community partners. All clients sign an agreement to abide by these rules and regulations.
- No Violence or Criminal Activity: No violence or criminal activity of any type is tolerated in or around property. Criminal activity will be cause for exclusion from the shelters.
- Security Personnel: Security personnel will be stationed in and around the facility.
- Rules Regarding Entry: Staff, partner entities, clients, and visitors may be searched before entry into the facility is allowed.

H. Other.

- Defined Dates: The Good Neighbor Policy will begin upon the opening of the program site and remain in effect until the closure of the program site or when all parties to the Policy agree that the Policy should be discontinued.
- Terms of Amendment: This policy may be amended by consensus of all parties to the Policy and will undergo review at least annually, or on an as needed basis to ensure success of the Policy.
- Legal Status of the Policy: All parties to this Policy understand that this Policy is NOT a legally binding contract and is not intended to be by the parties.
- Signatures: This Good Neighbor Policy contains all the terms and conditions agreed upon by the parties and will only be modified by the named parties.

Attachment 1 to Exhibit B
Budget

| | |
|--|------------------------|
| Total Salaries - 25.95 FTEs | \$ 1,352,566.57 |
| Program Support (exec mgt/prog leadership) | \$ 143,250.00 |
| Roseville Road Campus Support | \$ 1,209,316.57 |
| Total Benefits | \$ 338,141.64 |
| Total Program Operations | \$ 582,467.50 |
| Insurance | \$ 55,000.00 |
| Consultants - Client Support Stipends | \$ 5,300.00 |
| Food & Food Supplies | \$ 360,437.50 |
| Program Supplies | \$ 31,520.00 |
| Facilities | \$ 53,560.00 |
| Telephone/ Internet/ Communications | \$ 1,250.00 |
| Guest/Program Participant Transportation | \$ 18,600.00 |
| Laundry Services | \$ 31,800.00 |
| Rapid Rehousing Fund | \$ 25,000.00 |
| SUBTOTAL STAFFING & OPERATIONS | \$ 2,273,175.71 |
| In-direct Costs (must not exceed 11%) | \$ 250,049.33 |
| TOTAL | \$ 2,523,225.04 |

Payment Method

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

Invoices should be submitted to DCR by the 15th of the calendar month following the invoicing period.

CITY OF SACRAMENTO
A Municipal Corporation

By: _____

Print name: Mario Lara

Title: Assistant City Manager

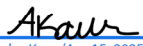
Date: _____

For: Leyne Milstein, Interim City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:


Arvinder Kaur (Apr 15, 2025 08:43 PDT)

City Attorney

Attachments

- Exhibit A Scope of Work
- Exhibit B Payment
- Exhibit C Insurance
- Exhibit D General Conditions

CONTRACTOR:

First Step Housing DBA First Step Communities
NAME OF FIRM

35-2537631
Federal I.D. No.

State I.D. No.

1114246
City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY (*check one*):

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


Stephen Watters (Apr 15, 2025 14:09 PDT)

Signature of Authorized Person

Stephen Watters, Chief Executive Officer
Print Name and Title

Additional Signature (*if required*)

Print Name and Title

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

City of Sacramento, 915 I Street, Sacramento, CA 95814

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.