

**Exhibit D**  
**Delegate Agency Grant Agreement**  
**Homeless Services Program**

**TERMS AND CONDITIONS**

**ARTICLE 1: FUNDING CHANGES, TERM CHANGES**

**1.1 DEOBLIGATION / REPROGRAMMING OF FUNDS**

At any time upon written notice to you the City, in its sole discretion, including without limitation based on periodic reviews of the spending levels under this Agreement, may reduce the Maximum Compensation and/or Committed Compensation. Upon reduction of the Maximum Compensation and/or Committed Compensation, you will fully cooperate with the City's deobligation and/or reprogramming of funds. See Article 4, *Compensation*, and other provisions for further terms and conditions related to compensation under this Agreement.

**1.2 EXTENSION OPTION**

The City may, if in accordance with applicable law, at any time before this Agreement expires, extend it for up to 3 additional periods, each period not to exceed 1 year, by written notice to you. You acknowledge that this Agreement does not create any expectation of renewal or extension.

**1.3 EARLY TERMINATION**

In addition to its termination rights under Section 4.3, *Reduction of Compensation*, and Article 7, *Events of Default & Remedies*, the City may terminate this Agreement, or any portion of it remaining to be performed, at any time, (a) upon written notice to you and, if required by applicable law or regulation, with your consent, and (b) upon written notice to you if DCEO terminates or suspends the Grant. If the City terminates this Agreement, other than pursuant to Section 4.3 or Article 7, then you will agree with the City upon termination conditions including, in the case of a partial termination, the portion to be terminated. The effective date of termination will be the later of the effective date stated in the notice or, if no date is given, the date the notice is considered received as provided under Article 9, *Notices*, of this Agreement.

You may terminate this Agreement upon 30 calendar days prior written notice to the City setting forth the reasons for the termination, the effective date and, in the case of a partial termination, the portion to be terminated, provided, however, that if you give notice of a partial termination, the City may terminate this Agreement in its entirety in accordance with 45 CFR 92.44 or 45 CFR 74.61, as applicable.

Upon termination of this Agreement, you will deliver to the City all finished or unfinished documents, data, studies, and reports prepared by you under this Agreement. Payment for the work performed before the effective date of such termination will be based upon a proration of the work actually performed by you to the date of termination, as determined by the Commissioner. Payment made by the City, pursuant to such proration, will be in full settlement for all Services rendered by you.

You must include in your contracts with subcontractors an early termination provision in form and substance equivalent to this early termination provision. You will not be entitled to make any early termination claims against the City resulting from any subcontractor's claims against you or the City.

**1.4 YOUR CONTRIBUTIONS**

You will contribute to the payment of expenses incurred in performing the Services, the amounts, if any, described in Exhibit A. Your contribution will be cash or in-kind.

**1.5 NON-APPROPRIATION**

Funding for this Agreement is subject to the availability of funds and their appropriation by the City Council of the City, State and/or Federal authorities, if applicable. No payments will be made or due to you under this Agreement beyond those amounts appropriated and budgeted by the City to fund payments under this Agreement. The City's obligations hereunder shall cease immediately, without

penalty or further payment being required, if the City Council of the City, the Illinois General Assembly and/or federal funding source(s) fails to make an appropriation sufficient to fund this Agreement.

If no funds or insufficient funds are appropriated and budgeted in any fiscal period for payments to be made under this Agreement, the City will notify you in writing of such occurrence. The City, at its sole discretion, shall determine whether amounts appropriated are sufficient to continue its obligations under this Agreement. This Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. Termination of this Agreement or reduction of compensation resulting from non-appropriation or insufficient appropriation shall be in accordance with Section 4.3, *Reduction of Compensation*. Any grant is void by operation of law if the City fails to obtain the requisite appropriation to pay the grant in any year in which this Agreement is in effect.

## **ARTICLE 2: YOUR DUTIES**

### **2.1 SCOPE OF SERVICES (WORK PROGRAM)**

You will carry out the Services pursuant to the Scope of Services (Work Program), attached as Exhibit B, and the Budget Summary, attached as Exhibit A, in accordance with the requirements of this Agreement. The Scope of Services (Work Program) is intended to be general in nature and is neither a complete description of your Services nor a limitation on the Services which you will provide. "**Services**" means, collectively, the services, duties and responsibilities described in this Article 2 and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

### **2.2 STANDARD OF PERFORMANCE**

You will perform all Services with the degree of skill, care and diligence normally shown by a contractor performing services of a scope, purpose and magnitude comparable with the Services ("**Standard of Performance**"). You will use your best efforts on behalf of the City to assure timely and satisfactory completion of the Services. You acknowledge that in the performance of the Services, **TIME IS OF THE ESSENCE**.

You acknowledge that you are entrusted with or have access to valuable and confidential information and records of the City and with respect to that information, you agree to be held to the standard of care of a fiduciary. Any review, approval, acceptance of Services or payment for any Services by the City does not relieve you of your responsibility for the professional skill and care and technical accuracy of the Services. This provision in no way limits the City's legal or equitable rights against you.

If you fail to comply with the Standard of Performance, you must, at the City's option, perform again, at your own expense, all Services required to be re-performed as a direct or indirect result of that failure, unless the reason is failure to have and maintain required licensure. See subsection 8.1(A), *Warranties and Representations*, regarding failure to comply with licensure requirements.

### **2.3 YOUR PERSONNEL; BACKGROUND CHECKS**

If assignment of personnel is required for the proper completion of the Services or is otherwise required by this Agreement, then you will assign immediately and maintain for the duration of the Services, a staff of competent personnel that is fully licensed, equipped, competent and qualified to perform the Services. You will retain and make available to the City, state and federal agencies governing funds provided under this Agreement, proof of certification or expertise including, but not limited to, licenses, resumes and job descriptions.

If you provide any Services to children you shall, at your own cost and expense, comply with all applicable Federal, State and local laws, ordinances, policies, procedures, regulations, rules, requirements and executive orders relating to background checks, fingerprinting and screening procedures as in effect from time to time (the "**Legal Requirements**"). In connection with the Services, you will not permit any adult, whether a member of your staff or otherwise, to be involved with the Services or to have direct contact with children if any applicable Legal Requirements would prohibit such adult from having such involvement or contact.

**2.4 MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISE PROCUREMENT PROGRAM**

- A. If your Scope of Services (Work Program) is solely limited to social services (including, but not limited to, job training and placement, education, child day care, emergency shelter, home-delivery meals and health care), you need not comply with the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "**MBE/WBE Ordinance**"), Section 2-92-420 et seq of the Municipal Code of Chicago, as amended (the "**Municipal Code**") or with Section 2-92-586 (Contracts-Firms Owned or Operated by Individuals with Disabilities) of the Municipal Code.
- B. If, however, your Scope of Services (Work Program) includes construction, renovation, rehabilitation or facility enhancement, you must comply with the MBE/WBE Ordinance and with Section 2-92-586 of the Municipal Code, except to the extent waived by the Chief Procurement Officer.

**2.5 NON-DISCRIMINATION**

In performing the Services under this Agreement, you must comply with applicable laws prohibiting discrimination against individuals and groups.

**A. Federal Requirements**

In performing the Services under this Agreement and in your employment practices you must not engage in unlawful employment practices, such as:

- i. failing or refusing to hire or discharging any individual, or otherwise discriminating against any individual with respect to his or her compensation, or the terms, conditions, or privileges of his or her employment, because of such individual's race, color, religion, sex, age, handicap/disability or national origin; or
- ii. limiting, segregating, or classifying your employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee, because of that individual's race, color, religion, sex, age, handicap/disability or national origin.

You must comply with, and the procedures you utilize and the services you provide under this Agreement must comply with, the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*, as amended and the Civil Rights Act of 1991, P.L. 102-166; Fair Housing Act, 42 U.S.C. § 3601-3619; Executive Order No. 11246, as amended by Executive Order No. 11375 and by Executive Order No. 12086; Executive Order 13160 (2000); the Age Discrimination Act of 1975, 42 U.S.C. §§ 6101-6106; Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34; Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-83 and 1685-86); the Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; 41 CFR part 60 *et seq.* (1990); Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193); and all other applicable federal statutes, regulations and other laws.

**B. State Requirements**

In performing the Services under this Agreement, you must comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.*, the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 *et seq.* and any rules and regulations promulgated thereunder, including, but not limited to, the Equal Employment Opportunity Clause, 44 Ill. Admin. Code § 750 Appendix A, and all other applicable state statutes, regulations and other laws.

**C. City Requirements**

In performing the Services under this Agreement, you must comply with the Chicago Human Rights Ordinance, Municipal Code § 2-160-010, and all other applicable City ordinances and rules. Further, you must furnish, and cause every subcontractor to furnish, such reports and information as may be requested from time to time by the Chicago Commission on Human Relations.

**D. Subcontractors Required to Comply**

You will incorporate all of the provisions set forth in this Section in all subcontracts entered into with all suppliers of materials, furnishers of services, subcontractors of any tier, and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any materials, labor or services in connection with this Agreement.

You must cause your subcontractors to execute such certificates as may be necessary in furtherance of these provisions. Such certifications will be attached and incorporated by reference in the applicable subcontracts. If any subcontractor is a partnership or joint venture, you will also include provisions in your subcontract insuring that the entities comprising such partnership or joint venture will be jointly and severally liable for the partnership's or joint venture's obligations under the subcontract.

**2.6 INSURANCE**

You must provide and maintain or cause to be provided during the Term the insurance coverages and requirements specified in Exhibit F, insuring all operations related to this Agreement. You must submit Certificates of Insurance of the required coverages **prior** to this Agreement being fully executed to the email address and/or website location specified by the City.

You must comply with Section 4.4(F), *Bond and Depositor Insurance Requirements*, of the Grant Agreement.

**2.7 INDEMNIFICATION**

- A. You must defend, indemnify, keep and hold harmless the City, its officers, representatives, elected and appointed officials, agents and employees from and against any and all Losses, including those related to:
- i. injury, death or damage of or to any person or property;
  - ii. any infringement or violation of any property right (including any patent, trademark or copyright);
  - iii. failure to pay or perform or cause to be paid or performed your covenants and obligations as and when required under this Agreement or otherwise to pay or perform your obligations to any subcontractor;
  - iv. the City's exercise of its rights and remedies under this Agreement; and
  - v. injuries to or death of any of your employees or those of any subcontractor under any workers compensation statute.
- B. "**Losses**" means, individually and collectively, liabilities of every kind, including losses, damages and reasonable costs, payments and expenses (such as, but not limited to, court costs and reasonable attorneys' fees and disbursements), claims, demands, actions, suits, proceedings, judgments or settlements, any or all of which in any way arise out of or relate to the acts or omissions of you, your employees, agents and subcontractors.
- C. At the City Corporation Counsel's option, you must defend all suits brought upon all such Losses and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving you of any of your obligations under this Agreement. Any settlement must be made only with the prior written

consent of the City Corporation Counsel, if the settlement requires any action on the part of the City.

- D. To the extent permissible by law, you waive any limits to the amount of your obligations to indemnify, defend or contribute to any sums due under any Losses, including any claim by any of your employees that may be subject to the Workers Compensation Act, 820 ILCS 305/1 et seq. or any other law or judicial decision (such as, Kotecki v. Cyclops Welding Corporation, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Illinois Workers Compensation Act, the Illinois Pension Code or any other statute. Your waiver under this provision, however, is not intended and does not require you to indemnify the City for the City's own negligence in violation of the Construction Contract Indemnification for Negligence Act ("**Anti-Indemnity Act**"), 740 ILCS 35/0.01 et seq., if the Anti-Indemnity Act applies.
- E. The indemnities contained in this section survive expiration or termination of this Agreement for matters occurring or arising during the Term or as the result of or during your performance of Services beyond the Term. You acknowledge that the requirements set forth in this section to indemnify, keep and save harmless and defend the City are apart from and not limited by your duties under this Agreement, including the insurance requirements under Section 2.6, *Insurance*. If a court or other governmental authority having competent jurisdiction determines any portion or provision of this Section to be inoperative or unenforceable under the Anti-Indemnity Act, the inoperative or unenforceable portion or provision will be deemed severed and deleted, and the remaining provisions will remain enforceable to the maximum extent permitted by applicable law.

## **2.8 NON-EXPENDABLE PERSONAL PROPERTY**

You will comply with all Federal, State and local laws and ordinances regarding property ownership, use and management.

You will request and receive written authorization from the City and DCEO prior to the purchase of tangible personal property having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit with funds received pursuant to this Agreement ("**Non-expendable Personal Property**"). All Non-expendable Personal Property will be the property of the City to the extent that such property is not the property of the federal government or the State of Illinois.

You will maintain a current inventory listing of such Non-expendable Personal Property and will deliver a copy of such listing to the City on an annual basis. You will comply with 45 CFR 92.32 or 45 CFR 74.34, as applicable, in your management of Non-expendable Personal Property.

You will return all Non-expendable Personal Property to the City, upon the termination of the Services, completion of this Agreement or at any time requested by the Department. However, upon the receipt of the final inventory of all Non-expendable Personal Property, the City may allow such property to remain in your possession if the City, in its sole discretion, determines that the Non-expendable Personal Property is necessary for the performance of any new or other services by you for the City.

When this Agreement expires or is terminated, you will return to the City the balance of any funds received under this Agreement and any accounts receivable attributable to those funds. In addition, if you acquired or improved real property with funds received under this Agreement, then you will comply with 45 CFR 92.31 or 45 CFR 74.32, as applicable.

## **2.9 SUBCONTRACTS**

All subcontracts and all approvals of subcontractors, regardless of their form, will be deemed to be conditioned upon performance by the subcontractor in accordance with the terms and conditions of this Agreement. The approval of subcontractors will under no circumstances operate to relieve you of any of your obligations or liabilities under this Agreement.

Upon entering into any subcontract, you will furnish the City with one copy of the subcontract for distribution to the Department. All subcontracts will contain provisions that require the Services to be performed in strict accordance with the terms and conditions of this Agreement and that the subcontractor is subject to all of the terms and conditions of this Agreement, including the rights of the City to approve

or disapprove of the use of any subcontractor. As long as such subcontracts do not prejudice any of the City's rights under this Agreement and do not affect the quality of the Services to be rendered in any way, subcontracts may contain different provisions than are provided in this Agreement.

## **2.10 PROGRAM INCOME**

You will return to the City all gross income received by you that is directly generated by the use of funds received from the City ("**Program Income**"), in any form or manner the City requires. Program Income is defined in the applicable provisions of 45 CFR 92.25 or 45 CFR 74.24, as applicable. The City may require you to return all or part of any Program Income balances you hold at the end of the program year, subject to the exceptions described in 45 CFR 92.25 or 45 CFR 74.24, as applicable.

## **2.11 RELIGIOUS ACTIVITIES**

- A. You warrant that you will not engage in any inherently religious activities, such as worship, religious instruction, or proselytization, as part of or while carrying out the funded programs or services.
- B. You warrant that if you do engage in inherently religious activities, such as worship, religious instruction, or proselytization,
  - i. such activities will always be conducted separately, in time or location, from the funded programs or services; and
  - ii. any participation in such activities on the part of beneficiaries of the funded programs or services must be wholly voluntary.
- C. You warrant that you will not discriminate against a beneficiary or prospective beneficiary of the funded programs or services on the basis of religion, religious belief, or participation or nonparticipation in any inherently religious activities.
- D. If the Agreement involves any grant of funds for the acquisition, construction, or rehabilitation of structures, you warrant:
  - i. The room or space that the Grant funds will be used to acquire, construct or rehabilitate is not your primary place of worship; and
  - ii. Grant funds will be used only for those portions of the acquisition, construction, or rehabilitation of the structures that are attributable to eligible activities; and
  - iii. If in the future the structure is used for inherently religious activities or otherwise ceases being used for eligible activities, you will adhere to the rules on real property use and disposition and government reimbursement found in 45 CFR 92.31 or 45 CFR 74.32, as applicable.
- E. With respect to a child receiving Services, for purposes of this section, "beneficiary" shall include such child and, in addition, his or her parents, guardians, other responsible adults and family members.

## **2.12 DRUG-FREE WORKPLACE**

You certify that neither you nor your employees shall engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of this Agreement. You must administer a policy designed to ensure that the program facility is free from the illegal use, possession, or distribution of drugs or alcohol by your beneficiaries. You must further maintain a drug free workplace in accordance with the requirements of the Drug Free Workplace Act of 1988 (Pub. L. 100-690 and 24 CFR 21), and the Illinois Drug Free Workplace Act (30 ILCS 580/1 et seq.) and must implement specific policies and guidelines as may be adopted by the City. In addition, you must execute certifications pursuant to the Drug Free Workplace Act of 1988, as may be requested by the Department.

You will establish procedures and policies to promote a drug free workplace. Further, you will notify all employees of your policy for maintaining a drug free workplace, and the penalties that may be imposed for drug abuse violations occurring in the workplace. You will notify the City if any of your employees are convicted of a criminal drug offense in the workplace no later than 10 calendar days after such conviction.

## **2.13 ACKNOWLEDGMENT OF FUNDING SOURCES**

- A. You will not make any public announcement with respect to the Services without the prior written approval of the City and advance notice to DCEO. You will conspicuously acknowledge the co-sponsorship of the City and DCEO on all promotional materials including, but not limited to, brochures, flyers, written or electronic public notices, news releases, public service announcements, acknowledgments at any special events intended to promote the Services, or solicitation of the private sector. You will not attribute any statement to the City without the City's prior written approval.

All reports, maps and other documents completed as part of this Agreement, other than documents exclusively for internal use within the City, will contain the following information in a conspicuous place on the front of the report, map or document:

- i. the name of the City of Chicago;
  - ii. the month and year of preparation; and
  - iii. the name of the project.
- B. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, you will clearly state:
- i. the percentage of the total costs of the program or project which will be financed with federal money;
  - ii. the dollar amount of federal funds for the project or program; and
  - iii. the percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

Such statement must not represent or suggest in any way that the views expressed are those of the federal government.

## **ARTICLE 3: REPORTING, MONITORING & DOCUMENTATION**

### **3.1 REPORTING REQUIREMENTS**

The City will set forth the specific reporting requirements, if any, in the Scope of Services (Work Program) attached as Exhibit B.

You agree, at all times during which you have active federal awards, to (a) maintain a current registration with the System for Award Management (“**SAM**”) database or complete such other registration requirements as determined by the Director of the U.S. Office of Management and Budget, (b) obtain a Dun and Bradstreet Data Universal Numbering System (“**DUNS**”) number or update your existing DUNS record, one of the requirements for registration in the SAM database, and (c) provide to the City all information required for reporting under the Federal Funding Accountability and Transparency Act (P.L. 109-282, as amended by Section 6202(a) of P.L. 110-252), including without limitation entity information, DUNS number, parent DUNS number, if applicable, and executive compensation data.

As a subrecipient of HUD funds under this Agreement, you agree to follow the HUD standards for participation, data, and reporting under a local Homeless Management Information System.

### **3.2 RECORDS; FOIA AND LOCAL RECORDS ACT COMPLIANCE**

You will maintain and make available to the City information such as, but not limited to, dates of and reports or memoranda describing your activities that is necessary to assist the City in its compliance with all applicable laws. You will maintain all documents pertaining to this Agreement including, but not limited to, all financial, statistical, property and participant information documentation.

You will retain books, documentation, papers, records and accounts in connection with this Agreement in a safe place for at least **5 years** after the City and, if applicable, the federal government determines that

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you have met all closeout requirements for this Agreement (and, if later, (a) until any related litigation, claim or audit started during such 5-year period is finally resolved and (b) 4 years after disposing of any real property and equipment bought with Grant funds), and will keep them open to audit, inspection, copying, abstracting and transcription, and will make these records available to the City, HHS, DCEO, the United States Comptroller General, the Illinois Auditor General, the Illinois Inspector General, or the Illinois Attorney General at reasonable times during the performance of your Services and for the time period specified in this paragraph. You will comply with the record retention requirements contained in 45 CFR 92.42 and 45 CFR 74.53, as applicable.

If you conduct any business operations separate from the Services using any personnel, equipment, supplies or facilities also used in connection with this Agreement, then you will maintain and make available to City, HHS, DCEO, the United States Comptroller General, the Illinois Auditor General, the Illinois Inspector General, or the Illinois Attorney General detailed records supporting your allocation of the costs and expenses attributable to any such shared usages.

You will maintain books, records, and documents, and will adopt accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the performance of this Agreement. This system of accounting must be in accordance with generally accepted federal accounting principles and practices, as set forth in 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awardees* (the “**OMB Super Circular**”).

Your failure to maintain any books, records and supporting documents required by this Section will establish a presumption in favor of the City for the recovery of any funds paid under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

No provision in this Agreement granting the City a right of access to records and documents impairs, limits or affects any right of access to such records and documents that the City would have had in the absence of such provisions.

You must maintain and provide to the City the following information and documents within the time periods indicated: (A) prior to this Agreement being fully executed, a copy of the executed lease for any real property you use in connection with the Services, an affidavit stating whether the landlord is a Related Party (as defined below), and with respect to any insurance, utility or other costs not based on your actual use, documentation satisfactory to the City in its sole discretion supporting the allocation of these costs to you; (B) within six months after the end of your fiscal year, annual financial statements that include a statement of your financial position and statement of activities, and a trial balance; provided, that delivery to the City of an audit conducted in accordance with the OMB Super Circular, and that satisfies all requirements described in Section 3.3, *Audit Requirement*, would satisfy the requirements of this clause (B); (C) within 30 days after the transaction occurs, a report of any transaction between you and any Related Party. For purposes of this Section 3.2, “**Related Party**” means any of your board members, officers or employees, and any relative of any of your board members, officers or employees.

You acknowledge that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended (“**FOIA**”). FOIA requires the City to produce records (as defined in FOIA) in response to a FOIA request in a short period of time, unless the records requested are exempt under FOIA. If the City asks you to produce records within the scope of FOIA, then you covenant to comply with such request within 48 hours of the date of such request. Your failure to timely comply with such request will be a breach of this Agreement. Documents that you submit to the City under this Section or otherwise during the term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents that you submit to be treated as a trade secret or information that would cause competitive harm, FOIA requires that you mark any such documents as “proprietary, privileged or confidential.” If you mark a document as “proprietary, privileged and confidential”, then the City will evaluate whether such document may be withheld under FOIA. The City, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General’s Office and/or the courts.



You acknowledge that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "**Local Records Act**"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, you covenant to use your best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with this Agreement and the Services contemplated in the Agreement.

### **3.3 AUDIT REQUIREMENT**

If you are a not-for-profit corporation and are expending federal funds under this and other agreements totaling \$750,000 or more during your fiscal year, you must submit an audit conducted in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-07), OMB Super Circular, the compliance requirements set forth in OMB Compliance Supplement, and any additional testing and reporting required by the City. If a single audit is required, that audit must cover the time period specified by the OMB Super Circular and its implementing regulations. Organization-wide audited financial statements must, at a minimum, cover the Term.

You also are responsible for meeting, to the extent applicable, the audit requirements of the Fiscal Control and Internal Auditing Act, 30 ILCS 10 and any other audit requirements that may be imposed by law, rule or regulation or by DCEO, the Illinois Auditor General, the Illinois Inspector General, or the Illinois Attorney General.

If you are a for-profit corporation and are expending federal funds under this and other agreements totaling \$750,000 or more during your fiscal year, then you must submit a program-specific audit of the program(s) funded by the City under this Agreement. This audit must be performed in accordance with program-specific audit requirements contained in Section 200.507 of the OMB Super Circular, *program-specific audits*, and with generally accepted government auditing standards (Government Auditing Standards). The audit must cover the time period specified by the OMB Super Circular for program-specific audits. In addition to the audit opinion, reports, and schedules required by the OMB Super Circular, the program-specific audit shall include the following financial statements:

- Statement of Financial Position (Balance Sheet) (if applicable)
- Statement of Activities (Revenue and Expenses)

If your organization has expended federal funds under this and other agreements totaling less than \$750,000 during your fiscal year, you must submit to City of Chicago Internal Audit at the address below a notarized "Delegate Agency Certification of Federal Expenditures" form certifying that your organization is exempt from Federal audit requirements for that year pursuant to the OMB Super Circular, Section 200.501(d), *Exemption when Federal awards expended are less than \$750,000*. Copies of this Certification form may be obtained from City of Chicago Internal Audit at the address below.

**You acknowledge that the City may perform, or cause to be performed, various monitoring procedures relating to your award(s) of federal funds, including, but not limited to, any audits or reviews related to compliance with the grant requirements.**

You must submit the audit reports, whether single audit or program-specific audit, within 6 months after your fiscal year-end. You must submit the audit, within this time frame, to the Department and to:

City of Chicago Internal Audit  
Attention: OMB Reviews  
333 South State Street, Suite 320  
Chicago, IL 60604

If an OMB audit is required, you will also submit a copy of the audit via electronic submission, within the same time frame indicated in Sec. 200.512(a), *Report submission*, or Sec. 200.507(c), *Report submission for program-specific audits*, as applicable, of the OMB Super Circular, to the Federal Audit Clearinghouse using the Internet Data Entry System. Further, you must submit, with the audit, a report which comments on the findings and recommendations in the audit, including corrective action planned or taken. If no

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action is planned or taken, an explanation must be included. Copies of written communications on non-material compliance findings must be submitted to the Department and City of Chicago Internal Audit.

For fiscal years ending September 30, 2009 and later, all Single Audit reports filed with the Federal Audit Clearinghouse (FAC) will be made publicly available on the internet.

The City retains its right to independently audit you.

If you are found in non-compliance with these audit requirements, by either the City or any federal agency, you may be required to refund financial assistance received from the City or the applicable federal agency(ies).

Each of the City, HHS, DCEO, the United States Comptroller General, the Illinois Auditor General, the Illinois Inspector General, or the Illinois Attorney General may in its sole discretion audit your records or those of your subcontractors, or both, at any time during the Term or within 5 years after the Agreement ends, in connection with the goods, work, or Services provided under this Agreement. Each calendar year or partial calendar year is considered an "audited period." If, as a result of such an audit, it is determined that you or any of your subcontractors have overcharged the City in the audited period, the City will notify you. You must then promptly reimburse the City for any amounts the City has paid you due to the overcharges and also some or all of the cost of the audit, as follows:

- A. If the audit has revealed overcharges to the City representing less than 5% of the total value, based on the contract prices, of the goods, work, or Services provided in the audited period, then you must reimburse the City for 50% of the cost of the audit and 50% of the cost of each subsequent audit that the City conducts;
- B. If, however, the audit has revealed overcharges to the City representing 5% or more of the total value, based on the contract prices, of the goods, work, or Services provided in the audited period, then you must reimburse the City for the full cost of the audit and of each subsequent audit.

If the City is unable to make a determination regarding overcharges to City as a result of your not having maintained records as required under this Agreement, you must promptly reimburse the City for some or all of the cost of the audit, as determined in the sole discretion of the City. Your failure to reimburse the City in accordance with this Section 3.3 is an event of default under this Agreement, and you will be liable for all of the City's costs of collection, including any court costs and attorneys' fees.

### **3.4 CONFIDENTIALITY**

- A. All reports, deliverables and documents prepared, assembled or encountered by or provided to you under this Agreement are property of the City and are confidential, and you warrant and represent that, except as may be required by law, the reports, deliverables and documents will not be made available to any other individual or organization without the prior written consent of the Commissioner. You will implement measures to ensure that your staff and your subcontractors will be bound by this Section.
- B. You must not issue any publicity news releases or grant press interviews, and except as may be required by law during or after the performance of this Agreement, disseminate any information regarding your Services or the project to which the Services pertain without the prior written consent of the Commissioner.

If you are presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any records, data or documents which may be in your possession by reason of this Agreement, you must immediately give notice to the Commissioner and the City's Corporation Counsel with the understanding that the City will have the opportunity to contest such process by any means available to it, before such records or documents are submitted to a court or other third party. You will not be obligated to withhold such delivery beyond that time as may be ordered by the court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

- C. To the extent not defined herein, the capitalized terms below and in Exhibit G will have the same meaning as set forth in the Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations (“HIPAA”). See 45 CFR parts 160, 162 and 164. You and all your Subcontractors must comply with HIPAA and all rules and regulations applicable to you or them. You must also comply with the Illinois AIDS Confidentiality Act (410 ILCS 305/1 through 16), the Illinois Mental Health and Developmental Disabilities Confidentiality Act (740 ILCS 110/1 through 17) and all other Illinois state statutes concerning the confidentiality, preservation, Use, and Disclosure of Protected Health Information and the rules and regulations promulgated under those state statutes. If you fail to comply with the applicable provisions under HIPAA and the Illinois state statutes, rules and regulations concerning the confidentiality, preservation, Use, and Disclosure of Protected Health Information, such failure will constitute an event of default under the Business Associate Agreement contained in Exhibit G for which no opportunity for cure will be provided. Additionally, if you are a Business Associate you must comply with all requirements of HIPAA applicable to Business Associates including the provisions contained in Exhibit G. You shall maintain for a minimum of six (6) years all Protected Health Information.

### **3.5 MONITORING**

You will allow the City:

- A. to have access at all times to all facilities supported under this Agreement whenever requested by appropriate staff members of the City;
- B. to have access at all times to all staff supported under this Agreement whenever requested;
- C. to make physical inspections of the premises you use in the performance of the Services and to require such physical safeguards to safeguard the property and/or equipment authorized including, but not limited to, requiring locks, alarms, safes, fire extinguishers and sprinkler systems; and
- D. to be present at any and all meetings held by you, including, but not limited to, staff meetings, board of directors meetings, advisory committee meetings and advisory board meetings, if an item relating to this Agreement is to be discussed.

You must make staff available on a regular basis at meetings convened by the Department, for the purpose of, but not limited to, making presentations, answering questions, and addressing issues related to the Services. Your chief executive officer, or his or her designee, will participate in all delegate agency conferences.

You must respond within 2 weeks to questionnaires, if any, regarding demographics, staff, quality, etc., from the City.

Nothing in this Agreement will be construed as restricting or otherwise limiting the rights of the City toward the appropriate management of this program.

### **3.6 INTELLECTUAL PROPERTY**

#### **A. Patents and Copyrights**

The City reserves an exclusive, perpetual and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for City purposes, including, but not limited to, commercial exploitation:

- i. the copyright or patent in any work developed under this Agreement; and
- ii. any rights of copyright or patent to which you purchase ownership with the funds awarded pursuant to this Agreement.

If the federal government determines that a patent or copyright which is developed or purchased by you serves a federal government purpose, a royalty-free, non-exclusive and irrevocable license will vest in the federal government.

Any discovery or invention arising out of, or developed in conjunction with the Services will be promptly and fully reported to the federal government for a determination as to whether patent protection on such invention or discovery should be sought. The rights to such patent will be administered as set forth above and in 37 CFR Part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and implementing regulations.

**B. Ownership of Documents**

All required submittals, including but not limited to work products, materials, documents, and reports, if any, described in Exhibit B, will be the property of the City. During the performance of the Services, you will be responsible for any loss or damage to the documents while they are in your possession and any such document lost or damaged will be restored at your expense. If not restorable, you will be responsible for any loss suffered by the City on account of such destruction. Full access to all finished or unfinished documents, data, studies and reports to be prepared by you hereunder during the performance of Services will be available to the City during normal business hours upon reasonable notice.

**C. Hold Harmless**

Unless prohibited by state law, upon request by the Federal government, you will indemnify, save, and hold harmless the City and its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by you of proprietary rights, patents, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any material or data produced under the Agreement.

**3.7 TECHNICAL ASSISTANCE**

You must attend technical assistance session(s) sponsored by the City during the term of this Agreement.

**ARTICLE 4: COMPENSATION**

**4.1 BASIS OF PAYMENT**

You will be compensated for Services performed and costs incurred and paid directly by you pursuant to the Budget Summary, which is attached to this Agreement as Exhibit A and incorporated by reference as if fully set forth herein. Requests for budget revisions which do not affect the Maximum Compensation or Committed Compensation must be submitted for review and approval to the Department no later than two calendar months before the end of the Term of the Agreement. For example, if the Term of the Agreement expires December 31, then requests for budget revisions, if any, must be submitted no later than the preceding October 31. If the Department approves and signs the request for budget revision, the Department will forward the request to the City Comptroller for final review, approval and processing.

**4.2 METHOD OF PAYMENT**

Using the City's web-based E-Vouchering system or as otherwise instructed by the City, you will submit **MONTHLY** requisitions for reimbursement (each, a "**Requisition**") identifying the payment due for the Services performed and/or costs incurred and paid directly by you in such detail and supported by such documents as required by the City.

You must submit Requisitions within 15 calendar days after the end of the month in which you performed Services and/or incurred and paid costs. The City will reject any Requisition that includes costs that were incurred or paid by any party other than you.

**The following paragraph applies to any Requisition submitted before the expiration date or earlier termination of this Agreement:** The City will use reasonable efforts to respond to your Requisition within 30 calendar days after submission by either (a) processing the payment or (b) notifying you (a "**Deficiency Notice**") of the way in which the Requisition is deficient and the adjustments you must make in order to receive payment. Within 15 calendar days after receiving a Deficiency Notice, and after completing such adjustment, you may resubmit a revised Requisition and the City thereafter will use

reasonable efforts to respond to your revised Requisition within 30 calendar days by either (a) processing the payment or (b) sending you a Deficiency Notice.

**The following paragraph applies to any Requisition submitted after the expiration date or earlier termination of this Agreement:** The City will use reasonable efforts to respond to your Requisition within 30 calendar days after submission by either (a) processing the payment or (b) sending you a Deficiency Notice. Within 15 days after receiving a Deficiency Notice, and after completing such adjustment, you may resubmit a final revised Requisition.

You waive all rights to payment with respect to any Requisition submitted later than 15 calendar days after the expiration date or earlier termination of this Agreement. The City will not reimburse costs that you incur or pay, or Services you perform, after the expiration date or earlier termination of this Agreement. Further, the City reserves the right to salvage any funds not expended by you by the end of the term of this Agreement.

#### **4.3 REDUCTION OF COMPENSATION**

If, after this Agreement is signed, anticipated local, federal and/or state funding is reduced for any reason, or the City determines in its sole discretion that your performance is not satisfactory, then the City reserves the right upon written notice to you to reduce or modify the Maximum Compensation, the Committed Compensation, the time for performance and/or the number of unfilled participant slots. If local, federal and/or state appropriations are reduced to such an extent that, in the sole discretion of the City, no funds will be available to compensate you under this Agreement, then the City will provide you notice of such occurrence. The notice will constitute notice of early termination in accordance with this Agreement.

If the Maximum Compensation and/or Committed Compensation is reduced, you will have 30 calendar days from the date of the written notice to submit a revised work program, budget or any other necessary document ("**Revised Submittals**") to the City reflecting the reduction in Maximum Compensation and/or Committed Compensation, as applicable, and accordingly modifying the Services to be performed. The City will have the discretion to modify the Revised Submittals as it may deem appropriate in order to realize the goals of this Agreement. The Revised Submittals will be reviewed by the Department. After (a) final approval and signature by the Department of the Revised Submittals and (b) final review and approval by the City Comptroller of the revised budget included in the Revised Submittals, the Revised Submittals will become a part of this Agreement superseding the relevant previous documents. If you fail to comply with the written notice or submit Revised Submittals which are not accepted by the City, you must perform this Agreement as originally executed for the reduced Maximum Compensation or, if less, the reduced Committed Compensation.

#### **4.4 ALLOWABLE COSTS**

All costs allowed by the City Comptroller's Office, are not considered final and may be disallowed upon the completion of audits ordered or performed by the City or the appropriate federal or state agency. In the event of a disallowance, you will refund the amount disallowed to the City.

#### **ARTICLE 5: NON-SOLICITATION**

You warrant and represent that you have not employed any person solely for the purpose of soliciting or procuring this Agreement, and have not made, and will not make, any payment or any agreement for the payment of any commission, percentages brokerage, contingent fee or other compensation in connection with the procurement of this Agreement.

#### **ARTICLE 6: DISPUTES**

Except as otherwise provided in this Agreement, you must and the City may bring any dispute arising under this Agreement which is not resolved by the parties to the Chief Procurement Officer for decision based upon the written submissions of the parties. (A copy of the "Regulations of the Department of Procurement Services for Resolution of Disputes between Contractors and the City of Chicago" is available in City Hall, 121 N. LaSalle Street, Room 301, Bid and Bond Room, Chicago, Illinois 60602.) The Chief Procurement Officer will issue a written decision and send it to you by mail. The decision of the

Chief Procurement Officer is final and binding. The sole and exclusive remedy to challenge the decision of the Chief Procurement Officer is judicial review by means of a common law writ of certiorari.

## **ARTICLE 7: EVENTS OF DEFAULT & REMEDIES**

### **7.1 EVENTS OF DEFAULT DEFINED**

In addition to any others mentioned elsewhere in this Agreement, the following constitute events of default:

- A. Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by you to the City.
- B. Any material failure by you to perform any of your obligations under this Agreement including, but not limited to, the following:
  - i. Failure to perform the Services with sufficient personnel and equipment or with sufficient material to ensure the performance of the Services;
  - ii. Failure to have and maintain all professional licenses required by law to perform the Services;
  - iii. Failure to timely perform the Services;
  - iv. Failure to perform the Services in a manner satisfactory to the City, or inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
  - v. Failure to promptly re-perform within a reasonable time Services that were rejected as erroneous or unsatisfactory;
  - vi. Discontinuance of the Services for reasons or circumstances within your reasonable control;
  - vii. Failure to comply with any other material term or condition of this Agreement including, but not limited to, the provisions concerning insurance, compensation, reporting, monitoring, licensing and nondiscrimination;
  - viii. Failure promptly to update EDS(s) furnished in connection with this Agreement when the information or responses contained in it or them is no longer complete or accurate, including changes in ownership, and to provide the updated EDS(s) to the City as provided under Section 8.13, *Economic Disclosure Statement and Affidavit*, and
  - ix. Any other acts specifically stated in this Agreement as constituting an act or event of default.
- C. Your default under any other agreement you may presently have or may enter into with the City during the Term. You consent that in the event of a default under this Agreement, the City may also declare a default under any other agreements the City has with you.
- D. Your failure to comply with Section 8.5, *Compliance with all Laws*, in the performance of the Agreement.
- E. Your violations of City ordinance(s) unrelated to performance under the Agreement that in the opinion of the Commissioner indicate a willful or reckless disregard for City ordinances and regulations.
- F. Any action or failure to act by you that causes the City to be in violation of any agreements it has with Federal or State departments or agencies.
- G. Any change in ownership or control of you without the prior written approval of the Commissioner (when such prior approval is permissible by law), which approval the Commissioner will not unreasonably withhold.

- H. Your failure, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to you, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer. You agree that your failure to maintain eligibility (or failure by any Controlling Person with respect to you to maintain eligibility) to do business with the City in violation of Section 1-23-030 of the Municipal Code shall constitute an event of default.

## **7.2 REMEDIES**

The occurrence of any event of default permits the City, at the City's sole option, to declare you in default. The City may in its sole discretion give you an opportunity to cure the default within a certain period of time, which period of time must not exceed 30 days unless extended by the City. Whether to declare you in default is within the sole discretion of the City and neither that decision nor the factual basis for it is subject to review or challenge, except to the extent that a statute or regulation applicable to the action involved entitles you to a hearing, appeal or other administrative proceeding.

The Commissioner will give you written notice of the default, either in the form of a cure notice ("**Cure Notice**"), or, if no opportunity to cure will be granted, a default notice ("**Default Notice**"). If the Commissioner gives a Default Notice, the Commissioner will also indicate any present intent the City may have to terminate this Agreement, and the decision to terminate is final and effective upon giving the notice. If the City decides not to terminate, this decision will not preclude the City from later deciding to terminate the Agreement in a later notice, which will be final and effective upon the giving of the notice or on the date set forth in the notice, whichever is later. The Commissioner may give a Default Notice if, within the cure period given in a Cure Notice, in the sole opinion of the City, you fail to effect a cure or fail to commence and continue diligent efforts to cure the event of default. When a Default Notice with intent to terminate is given as provided in this Section 7.2, you must discontinue any Services, unless otherwise directed in the notice, and deliver all materials accumulated in the performance of this Agreement, whether completed or in process, to the City.

Following or at the same time as the Default Notice, the City may invoke any or all of the following remedies:

- A. The right to take over and complete the Services or any part of them as agent for and at your cost, either directly or through others. You will have, in that event, the right to offset from the cost the amount it would have cost the City under the terms and conditions of this Agreement, had you completed the Services;
- B. The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time specified by the City;
- C. The right of specific performance, an injunction or any other appropriate equitable or legal remedy against you;
- D. The right to money damages;
- E. The right to withhold all or any part of your compensation;
- F. The right to deem you non-responsible in future contracts to be awarded by the City; and
- G. The right to declare default on any other contract or agreement you may have with the City.

If the City considers it to be in the City's best interests, it may elect not to declare default or to terminate the Agreement. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits you to continue to provide the Services despite one or more events of default, you will in no way be relieved of any of your responsibilities, duties or obligations under this Agreement nor will the City waive or relinquish any of its rights.

The remedies under the terms and conditions of the Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy is cumulative and is in addition to any other remedies, existing now or later, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any event of default will impair any such right or power nor will it be construed as

a waiver of any event of default or acquiescence in it, and every such right and power may be exercised from time to time and as often as the City deems expedient.

### **7.3 RIGHT TO OFFSET**

To the extent permitted by applicable law:

A. In connection with performance under this Agreement, the City may offset any incremental costs and other damages the City incurs in any or all of the following circumstances:

(i) if the City terminates this Agreement for default or any other reason resulting from your performance or non-performance;

(ii) if the City exercises any of its remedies under Section 7.2, *Remedies*, of this Agreement; or

(iii) if the City has any credits due or has made any overpayments under this Agreement.

The City may offset these incremental costs and other damages by use of any payment due for Services completed before the City terminated this Agreement or before the City exercised any remedies. If the amount offset is insufficient to cover those incremental costs and other damages, you are liable for and must promptly remit to the City the balance upon written demand for it. This right to offset is in addition to and not a limitation of any other remedies available to the City.

B. As provided under Section 2-92-380 of the Municipal Code and in addition to any other rights and remedies (including any of set-off) available to the City under this Agreement or permitted at law or in equity, the City is entitled to set off a portion of the price or compensation due under this Agreement in an amount equal to the amount of the fines and penalties for each outstanding parking violation complaint and/or the amount of any debt owed by you to the City, as those terms are defined in Section 2-92-380.

C. Without breaching this Agreement, the City may set off a portion of the price or compensation due under this Agreement in an amount equal to the amount of any liquidated or unliquidated claims that the City has against you unrelated to this Agreement. When the City's claims against you are finally adjudicated in a court of competent jurisdiction or otherwise resolved, the City will reimburse you to the extent of the amount the City has offset against this Agreement inconsistently with such determination or resolution.

### **7.4 SUSPENSION OF SERVICES**

The City may, at any time, request that you suspend the Services, or any part of them, (a) by giving 15 calendar days prior written notice to you, (b) upon no notice in the event of emergency, or (c) upon no notice if the City determines that immediate suspension is necessary because of a serious risk of: (i) substantial injury to property or loss of project funds; or (ii) violation of a Federal, State, or local criminal statute; or (iii) if staff or participants' health and safety are at risk. No costs incurred after the effective date of the suspension will be allowed. You will promptly resume your performance of the Services under the same terms and conditions upon written notice by the City and such equitable extension of time as may be mutually agreed upon by the City and you when necessary for continuation or completion of the Services. Any additional costs or expenses you actually incur as a result of recommencing the Services will be treated in accordance with the compensation provisions under Article 4, *Compensation*, of this Agreement.

No suspension will, in the aggregate, exceed a period of 45 calendar days within any one contract year unless the City has declared a summary suspension and the conditions creating the summary suspension have not been corrected. If the total number of days of suspension exceeds 45 calendar days, you, by written notice to the City, may treat the suspension as an early termination of this Agreement by the City under Section 1.3, *Early Termination*.

### **7.5 NO DAMAGES FOR DELAY**

Neither you nor your agents, employees, and subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other losses or expenses incurred by you by reason of delays or hindrances in the performance of the Services, whether or not caused by the City. On notice to the City of a delay outside your control, you may request additional time



to complete your performance. The decision to grant additional time is in the sole and absolute discretion of the City.

## **ARTICLE 8: MISCELLANEOUS PROVISIONS**

### **8.1 WARRANTIES AND REPRESENTATIONS**

You acknowledge, represent, warrant and covenant, as of the date of this Agreement and throughout the Term, that:

- A.** you are appropriately licensed and/or certified under Illinois law to perform the Services required under this Agreement and will perform no Services for which a professional license and/or certification is required by law and for which you are not appropriately licensed and/or certified;
- B.** no officer, agent or employee of the City is employed by you or has a financial interest directly or indirectly in this Agreement or the compensation to be paid, except as may be permitted in writing by the City's Board of Ethics; that no payment, gratuity or offer of employment will be made by or on behalf of any subcontractors of any tier, as an inducement for the award of a subcontract or order; you acknowledge that any agreement entered into, negotiated or performed in violation of any of the provisions of City's Ethics Ordinance, Municipal Code § 2-156 et seq., is voidable by the City; in accordance with 41 U.S.C. § 22, you must not admit any member of or delegate to the United States Congress to any share or part of the Services or the Agreement, or any benefit derived therefrom; and
- C.** you are financially solvent; you and each of your employees, agents and subcontractors of any tier are competent to perform the Services required under this Agreement; and you are legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated in this Agreement;
- D.** you will not knowingly use the services of any ineligible contractor or subcontractor for any purpose in the performance of the Services under this Agreement;
- E.** you and your subcontractors are not in default at the time this Agreement is signed, and have not been deemed by the Chief Procurement Officer to have, within 5 years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the City of Chicago;
- F.** you have carefully examined and analyzed the provisions and requirements of this Agreement; you understand the nature of the Services required; from your own analysis you have satisfied yourself as to the nature of all things needed for the performance of this Agreement; this Agreement is feasible of performance in accordance with all of its provisions and requirements, and you warrant that you can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Agreement;
- G.** you and, to the best of your knowledge, your subcontractors are not in violation of the provisions of Section 2-92-320 of Chapter 2-92 of the Municipal Code, the Illinois Criminal Code, 720 ILCS 5/33E-1, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1;
- H.** you and your subcontractors understand and will abide by all provisions of Chapter 2-26-010 et seq. of the Municipal Code;
- I.** any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under Sections 1.3, *Early Termination*, and 7.1, *Events of Default Defined*, of this Agreement;
- J.** any violation of Chapter 1-21 of the Municipal Code, False Statements, is also cause for termination under Sections 1.3 and 7.1 of this Agreement;
- K.** neither you nor any Affiliate is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons

or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. "Affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

- L. you are current as to the filing and payment of any Governmental Charges (as defined in Section 8.5, *Compliance with all Laws*) and/or related returns and you are not delinquent in your payment of Governmental Charges.

## **8.2 INSPECTOR GENERAL**

It is your duty and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of your officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. You represent that you understand and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that you will inform subcontractors of this provision and require their compliance.

## **8.3 WHOLE AGREEMENT-INTEGRATION**

This Agreement, including attached Exhibits A through G, constitutes the entire agreement between the parties, and no warranties, representations, inducements, considerations, promises or other inferences will be implied that are not expressly stated in the Agreement. Except as described in Section 8.4(A), *Modifications and Amendments*, no variation or amendment of this Agreement and no waiver of its provisions are valid unless in writing and signed by your duly authorized officers and those of the City. This Agreement supersedes all oral or written agreements or understandings on the subject of this Agreement between you and the City.

## **8.4 MODIFICATIONS AND AMENDMENTS**

(A) This Agreement is subject to such modifications as the City determines may be required by changes in Federal, State or local law or regulations applicable to this Agreement, including without limitation as described in Section 9(B). Any such required modification shall be incorporated into and become part of this Agreement as if fully set forth herein.

(B) Except as described in Section 8.4(A), no changes, amendments, modifications, cancellations or discharges of this Agreement, or any part of it are effective unless in writing and signed by you and the City, or their respective successors and assigns.

## **8.5 COMPLIANCE WITH ALL LAWS**

(A) You must observe and comply with all applicable laws, ordinances, rules, executive orders and regulations of the federal, state, local and city government, which may in any manner affect the performance of this Agreement, all of which will be deemed to be included in this Agreement the same as though written herein in full. You are responsible for ensuring compliance with all applicable laws, rules and regulations, including but not limited to those specifically referenced herein, and for paying when due all Governmental Charges and obtaining all required licenses, certificates and other authorizations. Except where expressly required by applicable laws and regulations, the City shall not be responsible for monitoring your compliance. Notwithstanding anything in this Agreement to the contrary, references to a statute or law are considered to be a reference to (i) the statute or law as it may be amended from time to time; (ii) all regulations and rules pertaining to or promulgated pursuant to the statute or law; and (iii) all

future statutes, laws, regulations, rules and executive orders pertaining to the same or similar subject matter.

(B) You have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of any program facility. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending your covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless you have given prior written notice to the City of your intent to contest or object to a Governmental Charge and, unless, at the City's sole option, (i) you shall demonstrate to the City's satisfaction that legal proceedings instituted by you contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the program facility to satisfy such Governmental Charge prior to final determination of such proceedings; and/or (ii) you shall furnish a good and sufficient bond or other security satisfactory to the City in such form and amounts as the City shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the program facility during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. "**Governmental Charge**" shall mean all Federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to you, your operations, the program facility or the Services.

(C) If you are delinquent in filing and/or paying any Governmental Charges and/or related returns, the City in its sole discretion may continue to reimburse you for Services provided under this Agreement only if you (i) have entered into an installment payment agreement with the applicable authority, (ii) have delivered to the City a copy of such fully-signed installment payment agreement and (iii) remain in good standing therewith. You may not use funds you receive under this Agreement to discharge outstanding Governmental Charges.

## **8.6 COMPLIANCE WITH ACCESSIBILITY LAWS**

You will comply with all accessibility standards for persons with disabilities or environmentally limited persons including, but not limited to: the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; and the Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794. In the event the above cited standards are inconsistent, you will comply with the standard providing greater accessibility.

## **8.7 NO FEDERAL, STATE OR CITY OBLIGATIONS TO THIRD PARTIES**

You acknowledge that, absent the express written consent of the federal government and the State of Illinois, the State of Illinois and the federal government will not be subject to any obligations or liabilities to any person not a party to the grant agreement between the City and the State of Illinois or between the City and the federal government. Notwithstanding any concurrence provided by the State of Illinois or federal government in or approval of any solicitation, agreement, or contract, the State of Illinois and federal government continue to have no obligations or liabilities to any party, including you.

This Agreement is made for the sole benefit of the City and you and the respective successors and assigns of the City and you and no other party shall have any legal interest of any kind hereunder or by reason of this Agreement. Whether or not the City elects to employ any or all of the rights, powers or remedies available to it hereunder, the City shall have no obligation or liability of any kind to any third party by reason of this Agreement or any of the City's actions or omissions pursuant hereto or otherwise in connection herewith.

## **8.8 NON-LIABILITY OF PUBLIC OFFICIALS**

Neither you, your assignees, nor your subcontractors are permitted to charge personally any official, employee or agent of the City with any liability or expenses of defense or be held personally liable to you under any term or condition of this Agreement, because of the City's execution or attempted execution of this Agreement, or because of its breach.

## **8.9 INDEPENDENT CONTRACTOR**

(a) This Agreement is not intended to and will not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, corporation or other formal business association or organization of any kind between the parties, and the rights, and the obligations of the parties will be only those expressly set forth in this Agreement. You will perform under this Agreement as an independent contractor to the City and not as a representative, employee, agent, or partner of the City.

(b) The City is subject to the June 24, 2011 "City of Chicago Hiring Plan" (the "**2011 City Hiring Plan**") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2011 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(c) You are aware that City policy prohibits City employees from directing any individual to apply for a position with you, either as an employee or as a subcontractor, and from directing you to hire an individual as an employee or as a subcontractor. Accordingly, you must follow your own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by you under this Agreement are employees or subcontractors of you, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by you.

(d) You will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(e) In the event of any communication to you by a City employee or City official in violation of paragraph (c) above, or advocating a violation of paragraph (d) above, you will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("**IGO Hiring Oversight**"), and also to the head of the Department. You will also cooperate with any inquiries by IGO Hiring Oversight related to this Agreement.

## **8.10 INTERNATIONAL ANTI-BOYCOTT**

You certify that neither you nor any substantially owned affiliated company of yours is participating or will participate in an international boycott, as defined by the provisions of the U.S. Export Administration Act of 1979 or its enabling regulations.

## **8.11 JOINT AND SEVERAL LIABILITY**

If you, or your successors or assigns, are comprised of more than one person, then every obligation or undertaking to be fulfilled or performed by you will be the joint and several obligation or undertaking of each such person.

## **8.12 PROOF OF BUSINESS FORM**

Upon request from the City, you will provide copies of your latest articles of incorporation, by-laws and resolutions, or partnership or joint venture agreement, as applicable, and evidence of your authority to do business in the State of Illinois, including without limitation, registrations of assumed names or limited partnerships and certifications of good standing with the Secretary of State of Illinois.

## **8.13 ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

You will use the City's online submission process to provide the City with a correctly completed Economic Disclosure Statement and Affidavit ("**EDS**"), which is incorporated by reference, and further will provide

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any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. You will cause your subcontractors or, if a partnership or joint venture, all members of the partnership or joint venture, to submit all required affidavits to the City. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. You and any other parties required by this Section 8.13 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

You certify, as further evidenced in the EDS, by your acceptance of this Agreement that neither you nor your principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. You further agree by executing this Agreement that you will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If you or any lower tier participant is unable to certify to this statement, you must attach an explanation to the Agreement.

To the best of your knowledge and belief, you, your principals and key project personnel: (a) are not presently declared ineligible or voluntarily excluded from contracting with any Federal or State department or agency; (b) have not within a three-year period preceding this Agreement been convicted of any felony; been convicted of a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; had a civil judgment rendered against them for commission of fraud; been found in violation of Federal or State antitrust statutes; or been convicted of embezzlement, theft, larceny, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property; and (c) are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in subparagraph (b) of this certification. Any request for an exception to the provisions of this paragraph must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction.

**8.14 CONFLICT OF INTEREST**

No member of the governing body of the City or other units of government and no other officer, employee, or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Services will have any personal interest, direct, or indirect, in this Agreement. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee will be admitted to any share or part of this Agreement or to any financial benefit to arise from it.

You covenant that you, your officers, directors and employees, and the officers, directors and employees of each of your members if a joint venture, and your subcontractors, presently have no interest and will acquire no interest, direct or indirect, that would conflict in any manner or degree with the performance of the Services. You further covenant that no person having any such interest will be employed. You acknowledge that if the City determines that any of your services for others conflict with the Services, you will terminate such other services immediately upon request of the City.

In addition to the conflict of interest requirements in the OMB Super Circular and 45 CFR 93, no person who is an employee, agent, officer, or elected or appointed official of the City and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement or their proceeds, either for himself or herself or for those whom he or she has family or business ties, during his or her tenure or for one year thereafter.

Furthermore you warrant and represent that you are and will remain in compliance with federal restrictions on lobbying set forth in the Byrd Anti-Lobbying Amendments (31 U.S.C. § 1352), and in 45 CFR 93.

In addition, if State of Illinois funds are used for the Agreement, you must comply with the conflict of interest provisions contained in the Illinois Procurement Code (30 ILCS 500/50-13) and other provisions in the Illinois Procurement Code regarding participation in agreement negotiation by a State employee (30 ILCS 500/50-15).

You shall establish safeguards to prohibit officers, directors, agents, employees and family members from using positions of employment for a purpose that is, or gives the appearance of, being motivated by a desire for a private gain for themselves or others, particularly those with whom they have family business or other ties. Safeguards, evidenced by rules or bylaws, shall be established to prohibit persons from engaging in actions, which create or which appear to create a conflict of interest as described herein.

#### **8.15 COOPERATION WITH CITY**

You will cooperate fully with the City and act in the City's best interests. You agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as the City in its sole discretion deems necessary or appropriate to carry out the terms, provisions and intent of this Agreement. By way of example and without limitation, within 15 calendar days after the request of the City, you shall execute and deliver, and you shall not revoke, any tax information authorization or similar form authorizing the City to inspect and/or receive your confidential information from any applicable tax authority.

If this Agreement is terminated for any reason, or if it is to expire on its own terms and conditions, you will make every effort to assure an orderly transition to another provider of the Services, if any, orderly demobilization of your own operations in connection with the Services, uninterrupted provision of Services during any transition period and will comply with the reasonable requests and requirements of the City in connection with the termination or expiration of this Agreement.

#### **8.16 WAIVER**

Nothing in this Agreement authorizes the waiver of any requirement or condition contrary to law or ordinance or which would result in or promote the violation of any federal, state or local law or ordinance.

Whenever the City, by a proper authority, waives your performance in any respect or waives a requirement or condition to either the City's or your performance, the waiver so granted, whether express or implied, will only apply to the particular instance and will not be deemed a waiver forever or for subsequent instances of the performance, requirement or condition. No waiver will be construed as a modification of the Agreement regardless of the number of times the City may have waived the performance, requirement or condition.

#### **8.17 GOVERNING LAW**

This Agreement is governed as to performance and interpretation in accordance with the laws of the State of Illinois.

#### **8.18 SEVERABILITY**

If any provision of the Agreement is held to be or in fact is illegal, inoperative or unenforceable on its face or as applied in any particular case, in any jurisdiction (or in all cases because it conflicts with any other provision of this Agreement, or any constitution, statute, municipal ordinance, rule of law or public policy, or for any other reason), that circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision of this Agreement illegal, invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement does not affect the remaining portions of this Agreement or any part of it.

#### **8.19 INTERPRETATION**

Any headings in this Agreement are for convenience of reference only and do not define or limit its provisions. Words importing the singular number include the plural number and vice versa, unless the context otherwise indicates. All references to any exhibit, appendix or document include all supplements and/or amendments to any such exhibits, appendixes or documents entered into in accordance with the terms and conditions of this Agreement. All references to any person or entity include any person or entity succeeding to the rights, duties, and obligations of the person or entity in accordance with the terms and conditions of this Agreement. In the event of any conflict between this Agreement and any exhibits to it, the terms and conditions in the body of this Agreement control.

#### **8.20 NONASSIGNABILITY**

You will not assign all or any part of your work or responsibilities under this Agreement without the prior written consent of the City; but any such consent will not relieve you of your obligations under this Agreement. Any transfer or assignment without the prior written consent of the City constitutes an event of default under this Agreement and is void as to the City. The City reserves the right to assign, in whole or in part, any funds, claims or interests, due or to become due, under this Agreement.

#### **8.21 YOUR AUTHORITY**

Your execution of this Agreement is authorized by a resolution or ordinance of your governing body. The signature of the individual signing on your behalf has been made with complete and full authority to commit you to all the terms and conditions of this Agreement. Evidence of signature authority should be forwarded to the City with the executed Agreement.

#### **8.22 DEEMED INCLUSION**

Provisions required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement are deemed inserted in this Agreement whether or not they appear in this Agreement or, upon application by either party, this Agreement will be amended to make the insertion; however, in no event will the failure to insert the provisions before or after this Agreement is signed prevent its enforcement.

#### **8.23 COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages, by facsimile transmission, by e-mail with a pdf copy or other replicating image attached, or by uploading to the City's web-based contracting portal if you are a registered user of such portal, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

### **ARTICLE 9: NOTICES**

- A. Except as provided in Article 9(B), all notices and communications to be provided by you and/or by the City under this Agreement must be in writing and may be delivered personally, by overnight courier or by First Class certified mail, return receipt requested, with postage prepaid and addressed as follows:

If to the City: The Department's mailing address noted on the cover page to this Agreement, with copies to: Department of Law, City Hall, Room 600, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: Corporation Counsel

If to Subrecipient: Your mailing address noted on the cover page to this Agreement.

**Notices and communications delivered by mail are deemed received 3 business days after mailing in accordance with this Article 9. Communications delivered personally are deemed effective upon receipt. Those sent via overnight courier are deemed effective on the next business day. Refusal of delivery has the same effect as delivery.**

- B. From time to time the City may notify you of (a) data elements related to the Grant, pursuant to 2 CFR Part 200.331, *Requirements for pass-through entities*, and/or (b) other information including,

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without limitation, the email address and/or website location to which you must submit certificates of insurance. The City may deliver such notices to you to the business email address listed on the cover page to this Agreement, or such other email address of which you have notified the Department under Article 15, *Internet Access and Email Address*. Such notices shall be deemed received upon transmission by the City and the information in such notices shall be incorporated into and become part of this Agreement as if fully set forth herein.

- C. You must notify the City of any significant change in your organizational structure. Significant changes include, but are not limited to, changes in:
- i. the official(s) to whom notice regarding the Agreement is provided and their mailing address;
  - ii. the officers of the corporation, including president, chairman, vice president, treasurer, secretary; and
  - iii. your key staff and/or your program sites, including executive director, site director, fiscal director; name, ownership, Federal employer identification number (FEIN), DUNS number or taxpayer certification; legal status (including not-for-profit status); and site address or agency official address or telephone numbers.

Such communication must be directed within 10 calendar days of such occurrence (or, in the case of changes in legal status (including not-for-profit status), address, DUNS number, name, ownership, FEIN or taxpayer certification, 45 days in advance), to the Department's Mailing Address noted on the cover page of this Agreement.

No promise or undertaking made in this Agreement is an assurance that the City agrees to continue this Agreement should you reorganize, change owners, or otherwise substantially change the character of your corporate or other business structure.

**ARTICLE 10: BUSINESS RELATIONSHIPS WITH ELECTED OFFICIALS**

Under Section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a business relationship, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship. **Violation of Section 2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement.** The term business relationship is defined as set forth in Section 2-156-080 of the Municipal Code.

Section 2-156-080 defines a "**business relationship**" as any contractual or other private business dealing of an official, or his or her spouse or domestic partner, or of any entity in which an official or his or her spouse or domestic partner has a financial interest, with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a financial interest shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the share of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse or domestic partner with an entity when such spouse or domestic partner has no discretion concerning or input relating to the relationship between that entity and the City.

**ARTICLE 11: LIVING WAGE ORDINANCE**



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- A. **Not-for-Profit Corporations:** If you are a corporation having federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and are recognized under Illinois not-for-profit law, then the provisions of Sections B through F below do not apply.
- B. Section 2-92-610 of the Municipal Code provides for a living wage for certain categories of workers employed in the performance of City contracts, specifically non-City employed security guards, parking attendants, day laborers, home and health care workers, cashiers, elevator operators, custodial workers and clerical workers ("**Covered Employees**").
- C. Accordingly, pursuant to Section 2-92-610 and regulations promulgated under it:
- i. If you have 25 or more full-time employees, and
  - ii. If at any time during the performance of this Agreement, you and/or any subcontractor or any other entity that provides any portion of the Services (collectively "**Performing Parties**") uses 25 or more full-time security guards, or any number of other full-time Covered Employees, then
  - iii. You must pay your Covered Employees, and must assure that all other Performing Parties pay their Covered Employees, not less than the minimum hourly rate as determined in accordance with this provision (the "**Base Wage**") for all Services performed under this Agreement.
- D. Your obligation to pay, and to assure payment of, the Base Wage will begin at any time during the Term when the conditions set forth in C.i. and C.ii. above are met, and will continue until the end of the Term.
- E. As of July 1, 2014, the Base Wage became \$11.93 per hour, and each July 1 thereafter, the Base Wage will be adjusted, using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. At all times during the Term, you and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement, and the prevailing wages for Covered Employees are higher than the Base Wage, then you and all other Performing Parties must pay the prevailing wage rates.
- F. You must include provisions in all subcontracts requiring your subcontractors to pay the Base Wage to Covered Employees. You must provide the City with documentation acceptable to the Chief Procurement Officer demonstrating that all Covered Employees, whether employed by you or by a subcontractor, have been paid the Base Wage, upon the City's request for such documentation. The City may independently audit you and/or subcontractors to verify compliance with this section. Failure to comply with the requirements of this section will be an event of default under this Agreement, and further, failure to comply may result in ineligibility for any award of a City contract or subcontract for up to 3 years.

**ARTICLE 12: NOTICE OF CHANGE IN CIRCUMSTANCES**

If you, your parent or related corporate entity, becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on your ability to perform under this Agreement, you must immediately notify the City in writing. You must also notify the Department regarding incidents that significantly impact the health and safety of clients or incidents that could result in the interruption of service. You must follow procedures provided by the Department for reporting incidents.

You certify that you are not currently operating under or subject to any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of your knowledge, that you are not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority. Should you become the subject of an investigation by any state or federal regulatory, law enforcement or legal authority, you shall promptly notify the City of any such investigation. You acknowledge that should

you later be subject to a cease and desist order or Memorandum of Understanding, or found in violation pursuant to any regulatory action or any court action or proceeding before any administrative agency, that the City is authorized to declare you in default of this Agreement and suspend or terminate this Agreement.

**ARTICLE 13: PROHIBITION ON CERTAIN CONTRIBUTIONS MAYORAL EXECUTIVE ORDER No. 2011-4**

Neither you nor any person or entity who directly or indirectly has an ownership or beneficial interest in you of more than 7.5% ("**Owners**"), spouses and domestic partners of such Owners, your Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (you and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee during (i) the bid or other solicitation process for this Agreement or Other Contract, including while this Agreement or Other Contract is executory, (ii) the term of this Agreement or any Other Contract between City and you, and/or (iii) any period in which an extension of this Agreement or Other Contract with the City is being sought or negotiated.

You represent and warrant that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached you or the date you approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

You shall not: (a) coerce, compel or intimidate your employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse your employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If you violate this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, the Commissioner may reject your bid.

For purposes of this provision:

**"Other Contract"** means any agreement entered into between you and the City that is (i) formed under the authority of Municipal Code Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

**"Contribution"** means a "political contribution" as defined in Municipal Code Ch. 2-156, as amended.

**"Political fundraising committee"** means a "political fundraising committee" as defined in Municipal Code Ch. 2-156, as amended.

**ARTICLE 14: COMPLIANCE WITH ENVIRONMENTAL AND SAFETY LAWS**

You shall be subject to, obey and adhere to any and all federal, state and local laws, statutes, ordinances, codes, rules, regulations and executive orders relating to public health and safety and the environment as are now or may be in effect during the term of this Agreement which may be applicable to you, including but not limited to the following Sections of the Municipal Code of Chicago: Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement.

**ARTICLE 15: INTERNET ACCESS AND EMAIL ADDRESS**

You must have Internet access at the site level. Internet access may be either dial-up or high speed/DSL. You must maintain at a minimum, one business email address listed on the cover page to this Agreement that will be the primary receiving point for all email correspondence from the Department. You may list additional addresses when you sign this Agreement. The additional addresses may be for a specific department/division of yours or for specific employees. You must notify the Department of any email address changes within five business days before the effective date of the change. You may use the City's web-based contracting portal to update your email address if you are a registered user of such portal.

**ARTICLE 16: EXCLUDED PROVIDER WARRANTY AND INDEMNITY**

You hereby represent and warrant that you and your employees and agents are not now and at no time have been excluded from participation in any federally funded health care program, including Medicare and Medicaid. This is an ongoing obligation of yours to ensure that you are not employing or contracting with individuals that have been sanctioned by the U.S. Department of Health and Human Services Office of Inspector General ("OIG") or barred from federal procurement programs. You shall check the OIG's cumulative sanctions reports and General Series Administration website on a monthly basis. You hereby agree to immediately notify the City of any threatened, proposed, or actual exclusion from any such program of yours or any such program of any of your employees or agents. In the event that you or any of your employees or agents performing services hereunder are excluded from participation in any federally funded health care program during the term of this Agreement, or at any time after the effective date of this Agreement, you shall be deemed to be in breach of this section and this agreement shall, as of the effective date of such exclusion or breach, automatically terminate. You shall indemnify and hold harmless the City against all actions, claims, demands and liabilities, and against all loss, damage, and costs and expenses, including reasonable attorney's fees, arising directly or indirectly, out of any violation of this section or due to the exclusion of you or any of your employees and agents from a federally funded health care program, including Medicare or Medicaid.

**Exhibit E**

**Delegate Agency Grant Agreement**  
**Homeless Services Program**

**ADDITIONAL AGREEMENT PROVISIONS**

**E-1.1 CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Subrecipient certifies that, in accordance with the Pro-Children Act of 1994 (the "Act")(Pub. L. 103-227), smoking must not be permitted in any portion of any indoor facility owned or leased or contracted for by Subrecipient and used routinely or regularly for the provision of health, day care, early childhood development services, education, or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The Act also applies to children's services that are provided in indoor facilities that are constructed, operated or maintained with federal funds. The Act does not apply to children's services provided in private residences, portions of facilities used for inpatient drug or alcohol treatment, service providers whose sole source of applicable federal funds is Medicare or Medicaid or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the Act may result in the imposition of a civil monetary penalty of up to \$1,000 per day and/or the imposition of an administrative compliance order on the responsible entity. Subrecipient must require the language contained in this Section to be included in any subawards which contain provision for children's services, and that all subrecipients must certify accordingly.

**E-1.2 CERTIFICATION AND RESTRICTIONS ON LOBBYING**

- A.** You acknowledge that receipt of funds under this Agreement may require compliance with Section 319 of Public Law 101-121(31 U.S.C.A. 1352) regarding the certification and disclosure of lobbying activities with the Federal Government and agree to comply with those provisions, and all federal rules promulgated by HHS, the funding source for implementation of programs operated under this Agreement; and will require that this assurance of compliance is part of any subcontracts executed hereunder.

Subrecipient certifies that:

- 1.** No federal appropriated funds have been paid or will be paid, by or on behalf of Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- 2.** In addition, no part of federal appropriated funds will be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State or local legislature, except in presentation to the Congress or any State or local legislature itself. No part of the federal appropriated funds will be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State or local legislature.
- 3.** If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a

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Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned must complete and submit Standard Form-LLL "Disclosure of Lobbying Activities," in accordance with its instructions.

4. Subrecipient must require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients must certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- B. This Agreement is subject to the restrictions on lobbying found in 29 CFR 93 and Section 503 of Public Law 105-78. Section 503 provides, in part:
  1. No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself or any State legislature.
  2. No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agency acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature.

**E-1.3 COMPLIANCE WITH GRANT REGULATIONS  
Standard Form 424B (Rev. 7-97)**

Subrecipient must comply with all applicable provisions of the Grant and must not cause the City to not be compliant with the Grant. Subrecipient must comply with, and certify that Subrecipient is in compliance with, all applicable laws (including implementing regulations), ordinances, policies, guidelines, procedures, regulations, rules, requirements and executive orders of the City of Chicago, the State of Illinois and all political subdivisions thereof, the federal government, HHS and DCEO in the performance of this Agreement including, but not limited to, the following, in each case as amended from time to time:

- A. Community Services Block Grant Act (42 U.S.C. U.S.C. § 9901 et seq.)(the "Act"); the CSBG Program Manuals; Economic Opportunity Act (20 ILCS 625/1 et seq.); 47 Ill. Admin. Code (Part 1, "Standard Grant Administrative Requirements," and Part 120, "State Administration of the Federal Community Services Block Grant Program"), IDHS's Annual Consolidated Plan, the Community Development Assistance Program Grants Management Handbook and 20 ILCS 625, the Illinois Economic Opportunity Act.
- B. Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (45 CFR 92); Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, other Nonprofit Organizations, and Commercial Organizations (45 CFR 74); Block Grants (45 CFR 96); and Grants and Agreements (2 CFR), including without limitation Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awardees (2 CFR 200). Commercial organization vendors or subcontractors are subject to the cost principles under 48 CFR Part 31.

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- C. The Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763).
- D. All federal statutes relating to nondiscrimination, including, but not limited to:
  - 1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
  - 2. Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1683, 1685-1686) which prohibits discrimination on the basis of sex;
  - 3. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) which prohibits discrimination on the basis of handicaps;
  - 4. Age Discrimination in Employment Act of 1967 and The Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age;
  - 5. The Drug Abuse Office and Treatment Act of 1972 (Pub. L. 92-255) relating to nondiscrimination on the basis of drug abuse;
  - 6. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (Pub. L. 91-616) relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
  - 7. Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3) relating to confidentiality of alcohol and drug abuse patient records;
  - 8. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.) relating to nondiscrimination in the sale, rental or financing of housing;
  - 9. The Civil Rights Restoration Act of 1987;
  - 10. Executive Order 12250;
  - 11. Federal Equal Pay Act of 1963;
  - 12. Civil Rights Act of 1991; and
  - 13. Executive Order 11063, as amended by Executive Order 12259; and
  - 14. Section 188 of the Workforce Investment Act of 1998 (20 U.S.C. 9201), and any other applicable nondiscrimination statutes.
- E. All environmental standards including, but not limited to, those standards which may be prescribed by:
  - 1. National Environmental Policy Act of 1969 (Pub. L. 91-190) and Executive Order 11514
  - 2. Notification of violating facilities pursuant to Executive Order 11738;
  - 3. Protection of wetland pursuant to Executive Order 11990;
  - 4. Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
  - 5. Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.);
  - 6. Conformity with the approved State Implementation Plan developed pursuant to Section 176(c) of the Clean Air Act of 1955 (42 U.S.C. § 7401 et seq.); and
  - 7. The protection of underground sources of drinking water under the Safe Drinking Water Act of 1974 (Pub. L. 93-523).
  - 8. The protection of endangered species under the Endangered Species Act of 1973, 16 U.S.C. § 1531 et seq.; and
  - 9. Section 102(a) of the Flood Disaster Protection Act of 1973 (Pub. L. 93-234).
- F. The National Historic Preservation Act of 1966 (16 U.S.C. § 470), Executive Order 11593 and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469a-1 et seq.).
- G. An Act to Amend the Public Health Service Act to Establish a Program of National Research Service Awards to Assure to Continued Excellence of Biomedical and Behavioral Research and to Provide for the Protection of Human Subjects Involved in Biomedical and Behavioral Research and for Other Purposes (Pub. L. 93-348).
- H. The Laboratory Animal Welfare Act of 1966 (7 U.S.C. §§ 2131 et seq.).
- I. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4801 et seq.); the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Pub.L. 101-550; 42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR Part 35.
- J. The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.

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- K. The Program Fraud Civil Remedies Act of 1986 (31 U.S.C. § 3801 et seq.) (in accordance therewith, the authorized official signing on your behalf certifies that the statements in this Agreement are true, complete and accurate to the best of his or her knowledge, and that he or she is aware that any false, fictitious or fraudulent statements or claims may subject him or her to criminal, civil or administrative penalties, and agrees that you will comply with the terms and conditions with respect to the Grant).
- L. Subrecipient must comply with the applicable provisions of the OMB Super Circular, as amended, succeeded or revised.
- M. The Hatch Act (5 U.S.C. 1501-1508 and 7324-7328), which limits the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.
- N. To the extent applicable in this Agreement, The Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.), the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. §§ 276c and 18 U.S.C. § 874), the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333) and Title II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), and implementing regulations at 49 CFR 24.
- O. The Medicare and Medicaid anti-kickback statute (42 U.S.C. 1320a-7b(b))
- P. Government wide Debarment and Suspension (Nonprocurement) and Government wide Requirements for Drug- Free Workplace (Grants)(24 CFR 24 and Executive Orders 12549 and 12689)
- Q. Pursuant to the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104 et seq.), you and or your employees and subcontractor may not, under this Agreement, (a) engage in severe forms of trafficking in persons during the period of time that this Agreement is in effect; (b) procure a commercial sex act during the period of time that this Agreement is in effect; or (c) use forced labor in the performance of this Agreement. HHS or the City may terminate this Agreement without penalty, if you or any employee or subcontractor (i) engage in severe forms of trafficking in persons or have procured a commercial sex act during the period of time that this Agreement is in effect, or (ii) use forced labor in the performance of this Agreement.
- R. The requirements of 48 CFR Section 3.908 implementing section 828 of the National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) entitled "Pilot Program for Enhancement of Contractor Employee Whistleblower Protection" apply to this Agreement. You are required to inform your employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712 in the predominant native language of the workforce. The details of 41 U.S.C. 4712 can be found at: <http://uscode.house.gov/browse.xhtml>. Regarding 48 CFR Section 3.908, note that use of the term "contract," "contractor," "subcontract," or "subcontractor" for the purpose of this Agreement, should read as "grant," "grantee," "subgrant," or "subgrantee."

**E-1.4** To the greatest extent practicable, all equipment and products purchased with funds received from the City pursuant to this Agreement should be American-made.

**E-1.5** The mandatory standards and policies relating to energy efficiency which are contained in the State of Illinois energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163).

**E-1.6** None of the Federal funds provided under this Agreement shall be used to carry out any program for distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

**E-1.7 PREVAILING WAGE**

You agree to comply and assure compliance with the requirements of 49 U.S.C. § 5333(a), the Davis-Bacon Act, 40 U.S.C. §§ 276 a(7), and implementing U.S. HHS regulation, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 CFR Part 5. In addition to other requirements that may apply, you agree to pay

wages to laborers and mechanics performing contract work at a rate not less than the minimum wages specified in a wage determination issued by the U.S. Secretary of Labor and not less frequently than once a week. You agree to place a copy of the current prevailing wage determination issued by the U.S. HHS in each solicitation for subcontractor work under this Agreement, and agree to refrain from awarding any affected subcontract until the subcontractor agrees to the required wage determination. You further agree to report to HHS every suspected or reported violation of the Davis-Bacon Act or its Federal implementing regulations.

#### **E-1.8 DRUG FREE WORKPLACE**

Subrecipient will provide a drug free workplace by provision and enforcement of the provisions in Section 6.6 of the Grant Agreement, *Drugfree Workplace Act* and Drugfree Workplace Act (30 ILCS 580/1 et seq.).

**E-1.9 ACKNOWLEDGMENT.** In accordance with Section 2.13, *Acknowledgement of Funding Sources*, of this Agreement, all brochures, booklets, flyers, journal articles, programs, advertisements (including print and out of home), multimedia presentations, videos, and any other printed or electronic materials (including but not limited to Web sites) paid for, in whole or in part, with DCEO funds, must include the following wording: "This project was conducted with funds provided under the Community Services Block Grant Program administered by the Illinois Department of Commerce and Economic Opportunity and it does not necessarily represent in whole or in part the viewpoint of the Illinois Department of Commerce and Economic Opportunity."

#### **E-1.10 COMPLIANCE WITH ILLINOIS REGULATIONS**

You must comply with all applicable provisions of the Grant, including the Grant Agreement, and must not cause the City to not be compliant with the Grant. You must comply with, and certify that you are in compliance with, all applicable laws (including implementing regulations), ordinances, policies, guidelines, procedures, regulations, rules, requirements and executive orders of the City of Chicago, DCEO, the State of Illinois and all political subdivisions thereof and the federal government in the performance of this Agreement including, but not limited to, the following, in each case as amended from time to time, the statutes, regulations and other requirements referenced in the Grant Agreement.

#### **E-1.11 BACKGROUND CHECKS**

Subrecipient certifies that neither Subrecipient nor any employees assigned to work on DCEO premises have a felony conviction. Any request for an exception to this rule must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction. Subrecipient will also supply DCEO with a list of individuals, if any, assigned to work on DCEO premises at least ten (10) working days prior to the start of their employment, unless circumstances prevent Subrecipient from giving a list within that time. If Subrecipient cannot provide a list, or the name of an individual at least ten (10) working days prior to their employment, it shall do so as soon as possible. DCEO may conduct criminal background checks on Subrecipient and/or its employees, if any, assigned to work on DCEO premises. Subrecipient agrees to hold harmless and indemnify the City and DCEO and their respective employees for any liability accruing from said background checks.

#### **E-1.12 ADDITIONAL CERTIFICATION REGARDING CONFLICTS OF INTEREST**

A. The Illinois Procurement Code (30 ILCS 500/50-13) prohibits a person from acquiring an Agreement with the State if that person is elected to, appointed to, or employed in any office of State government and who receives compensation from such in excess of 60% of the salary of the Governor of the State of Illinois, or is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or is the spouse or minor child of any such person.



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If any person as described above is entitled to receive more than 7.5% of the distributable income of a firm, partnership, association or corporation, or an amount in excess of the salary of the Governor of the State of Illinois, or if, in the aggregate, any such person together with spouse and minor children are entitled to receive more than 15% of the distributable income, or an amount in excess of two times the salary of the Governor of the State of Illinois, then that firm, partnership, association or corporation cannot enter into this Agreement and any such Agreement is void.

B. Subrecipient must comply with the other provisions in the Illinois Procurement Code (30 ILCS 500/50), regarding participation in agreement negotiations by a State of Illinois employee who has an agreement of employment or possible future employment with Subrecipient. Subrecipient may not use any funds received pursuant to this Agreement to compensate, directly or indirectly, any person: (i) currently holding an elective office in the State of Illinois, including a seat in the General Assembly; or (ii) employed by an office or agency of the State of Illinois with compensation annually in excess of \$90,000 as provided in the Illinois Procurement Code.

C. Interest of Public Officials/Employees

(1) Governmental Entity. If you are a governmental entity, you certify that no officer or employee of you and no member of your governing body and no other public official of the locality in which the Program objectives will be carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such objectives shall participate in any decision relating to any contract negotiated under a Program grant which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or has any financial interest, direct or indirect, in such contract or in the work to be performed under such contract.

(2) Non governmental Entity. If you are a non governmental entity, such a financial interest is permissible provided full disclosure of said interest is made to the City and DCEO in advance of any decisions relative to the award of a contract giving rise to such interest and further provided that the officer, employee, or member of the governing body so affected shall remove himself or herself from the room during any discussion, deliberation and voting in connection with the awarding of such a contract and provided further that DCEO determines, in writing, that the best interest of the State outweighs the conflict of interest issue.

Violations of this Section may result in suspension or termination of this Agreement, and recovery of grant funds provided hereunder. Violators may also be criminally liable under other applicable State and/or Federal laws and subject to actions up to and including felony prosecution.

**E-1.13 FISCAL RESPONSIBILITY**

A. DCEO may use the Comptroller's Offset System to determine if any State Agency is attempting to collect debt from Subrecipient according to Section 5 of the Illinois State Collection Act of 1986, 30 ILCS 210/5.

B. Subrecipient certifies that it, or any affiliate, is not barred from being awarded a contract or grant under 30 ILCS 500. Section 50-11 prohibits a person from entering into a contract or grant with a State agency if it knows or should know that it, or any affiliate, is delinquent in the payment of any debt to the State as defined by the Debt Collection Board. Section 50-12 prohibits a Person from entering into a contract or grant with a State agency if it, or any affiliate, has failed to collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act. Subrecipient further acknowledges that the contracting State agency may declare the grant void if this certification is false or if Subrecipient, or any affiliate, is determined to be delinquent

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in the payment of any debt to the State during the term of the grant. Subrecipient certifies that (i) it is current as to the filing and payment of any Federal, State and/or local taxes applicable to Subrecipient; and (ii) it is not delinquent in its payment of moneys owed to any Federal, state or local unit of government.

You are required to comply with all Federal, state and local laws, including but not limited to the filing of any and all applicable tax returns. In the event that you are delinquent in filing and/or paying any Federal, state and/or local returns and/or taxes, the City shall disburse grant funds only if you enter into an installment payment agreement with the applicable tax authority and remain in good standing therewith. You are required to provide a copy of any such installment payment agreement to the City. You may not use funds you receive under this Agreement to discharge outstanding tax liabilities or other debts owed to any governmental unit.

C. If applicable, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvements Act of 1990 (31 U.S.C. 6501 et seq.) and any other applicable Federal laws or regulations.

**E-1.14 GIFTS AND INCENTIVES.** Subrecipient is prohibited from giving gifts to City or State of Illinois employees. Subrecipient will provide the City with advance notice of Subrecipient's providing gifts, excluding charitable donations given as incentives to community-based organizations in Illinois and clients in Illinois to assist Subrecipient in carrying out its responsibilities under this Agreement. Subrecipient shall not pay any bonus or commission for the purpose of obtaining the grant awarded under this Agreement.

**E-1.15 HIRING STATE EMPLOYEES PROHIBITED.** No State officer or employee may be hired to perform services under this Agreement, or be paid with funds derived directly or indirectly through this grant without the written approval of DCEO.

**E-1.16 Linguistic and Cultural Competency Guidelines and Assurance**

The State of Illinois' Linguistic and Culturally Competency Guidelines (LCC Guideline) are incorporated into and made a part of this Agreement. The purpose of the LCC Guidelines is to improve access to culturally competent programs, services, and activities for Limited English Proficient (LEP) customers, persons who are hard of hearing or Deaf, and persons with low literacy. More information about the LCC Guidelines can be found at <http://www.dhs.state.il.us/page.aspx?item=29741> (this website also has available training resources and examples).

**Exhibit F**  
**Delegate Agency Grant Agreement**  
**Homeless Services Program**

**INSURANCE REQUIREMENTS**

A. The kinds and amounts of insurance required are as follows:

1) Workers Compensation and Employers Liability

Workers Compensation as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$500,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or Services.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work or Services to be performed, Subrecipient must provide Automobile Liability Insurance with limits of not less than \$300,000 per occurrence for bodily injury and property damage.

4) Professional Liability

When any professional consultants perform work or Services in connection with this Agreement, Professional Liability Insurance covering errors, omissions, or negligent acts, must be maintained with limits of not less than \$500,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work or Services on this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years.

5) Medical/Professional Liability

When any medical Services are performed in connection with this Agreement, Medical/Professional Liability Insurance must be provided to include coverage for errors, omissions and negligent acts related to the rendering or failure to render professional, medical or health Services with limits of not less than \$1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work or Services on this Agreement. A claims made policy which is not renewed or replaced must have an extended reporting period of 2 years.

6) Builders Risk

When any Subrecipient performs any construction, including improvement, betterments, and/or repairs, Subrecipient must provide All Risk Builders Insurance to cover materials, supplies, equipment, machinery and fixtures that are part of the structure.

B. Related Requirements

If the coverages have an expiration or renewal date occurring during the time for performance of this Agreement, Subrecipient must furnish renewal certificates to the email address and/or website location specified by the City. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Subrecipient is not a waiver by the City of any requirements for Subrecipient to obtain and maintain the specified coverages. Subrecipient must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Subrecipient of your obligation to provide insurance as specified here. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement, and the City retains the right to stop work or Services or terminate this Agreement until proper evidence of insurance is provided.

The Subrecipient must provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed.

All deductibles or self insured retentions on referenced insurance coverages must be borne by Subrecipient.

Subrecipient hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents or representatives.

The coverages and limits furnished by Subrecipient in no way limit Subrecipient's liabilities and responsibilities specified within this Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by Subrecipient under this Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Subrecipient is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Subrecipient must require all Subcontractors to provide the insurance required in this Agreement or Subrecipient may provide the coverages for Subcontractors. All Subcontractors are subject to the same insurance requirements of Subrecipient unless otherwise specified in this Agreement.

If Subrecipient or Subcontractors desire additional coverages, the party desiring additional coverages is responsible for the acquisition and cost of such additional protection.

Notwithstanding any provisions in this Agreement to the contrary, the City of Chicago's Risk Management Department maintains the right to modify, delete, alter or change these requirements.

C. If you need additional information related to insurance, please call the office of the City Comptroller, at (312) 744-7923.

**Exhibit G**  
**Delegate Agency Grant Agreement**  
**Homeless Services Program**

**COMPLIANCE WITH REQUIREMENTS IN THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT, HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT, AND IMPLEMENTING REGULATIONS BUSINESS ASSOCIATE AGREEMENT**

The City of Chicago (“City”) and Subrecipient (“Business Associate”) agree to the following terms and conditions, which are intended to comply with the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations:

The terms below that are capitalized and in bold have the same meanings as set forth in the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, which is part of the American Recovery and Reinvestment Act of 2009, and the regulations promulgated thereunder, including the privacy, security, breach, omnibus, and enforcement rules, as each may be amended from time to time (collectively, “HIPAA”). See 45 CFR parts 160 and 164.

Specifically, the following terms used in the Business Associate Agreement shall have the same meaning as in HIPAA: **Breach, Business Associate, Data Aggregation, Designated Record Set, Disclosure, Financial Remuneration, Fundraising, Health Care Operations, Individual, Marketing, Minimum Necessary, Protected Health Information (“PHI”), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.** The term “Breach” has the meaning as set forth in HIPAA when capitalized below, but has the ordinary dictionary meaning when not capitalized below.

For purposes of this Business Associate Agreement, the term “Protected Health Information” or “PHI” includes electronic PHI, also known as ePHI.

1. Interpretation of this Business Associate Agreement. A reference in this Business Associate Agreement to HIPAA means the section in effect or as amended. If there is a dispute as to whether Business Associate is, in fact, a Business Associate, the Business Associate must provide a legal memorandum to the City indicating why the Business Associate does not fall under the definition of Business Associate in HIPAA. If the City disagrees with the legal memorandum regarding the Business Associate’s conclusion that Business Associate is not a Business Associate, the City may choose to report a Breach to the Secretary or take other measures as deemed necessary to ensure the City’s compliance with HIPAA. Any ambiguity or inconsistency in this Business Associate Agreement shall be resolved in favor of a meaning that permits City to comply with HIPAA.

2. Amendment of this Business Associate Agreement. The parties hereto agree to negotiate in good faith to amend this Business Associate Agreement from time to time as is necessary for City to comply with the requirements of HIPAA and for Business Associate to provide services to City. However, no change, amendment, or modification of this Business Associate Agreement shall be valid unless it is set forth in writing and signed by both parties.

3. Designation of HIPAA Officer(s). Business Associate agrees to designate, in writing, a HIPAA Privacy and Security Officer(s) who will communicate with the City’s HIPAA Privacy and Security Officers for purposes of this Business Associate Agreement. Business Associate agrees to notify the City’s HIPAA Privacy and Security Officers of such designation and the contact information of such officer(s):

Jennifer Herd  
HIPAA Privacy Officer  
312-747-9429

Paul Bivian  
HIPAA Security Officer  
312-744-2250

hipaaprivacyofficer@cityofchicago.org

hipaasecurityofficer@cityofchicago.org

4. Uses and Disclosures of PHI. Business Associate must not use or further disclose Protected Health Information ("PHI") other than as permitted or required by this Business Associate Agreement, as necessary to perform the services in the underlying Agreement, or as Required By Law.

- a. Business Associate will not sell PHI or use or disclose PHI for the purposes of marketing or fundraising.
- b. Business Associate shall not directly or indirectly receive financial remuneration in exchange for any PHI of an individual or in exchange for making communications regarding treatment or health care operations purposes, unless otherwise allowed in this Business Associate Agreement.
- c. If Business Associate is authorized to use PHI to provide the City with de-identified information, Business Associate is not permitted to use or disclose the de-identified information for purposes other than those specified in the Agreement.
- d. Business Associate may use PHI to provide data aggregation services to the City, relating to the health care operations of the City.
- e. Business Associate may use and disclose PHI received by the Business Associate in its capacity as a Business Associate to the City, if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, as to any such disclosure, the following requirements are met:
  - i. The disclosure is required by law; or
  - ii. The Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been the subject of a Breach.
- f. Except as otherwise limited in this Business Associate Agreement, Business Associate may use and disclose PHI obtained from or on behalf of the City to perform functions, activities, or services for, or on behalf of, the City as specified in the Agreement, provided that such use or disclosure would not violate HIPAA if done by the City.

5. Minimum Necessary. Business Associate shall use, disclose, or request only the minimum necessary PHI necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate represents that the PHI used, disclosed, or requested by Business Associate is the minimum necessary to carry out purposes of the Agreement. Prior to any use or disclosure, Business Associate shall determine whether a limited data set would be sufficient for these purposes.

6. Safeguards of PHI. Business Associate must use appropriate safeguards with respect to PHI that it creates, receives, maintains, or transmits on behalf of the City to prevent the use or disclosure of PHI other than as provided for in this Business Associate Agreement. The safeguards must reasonably protect PHI from any intentional or unintentional use or disclosure in violation of HIPAA privacy regulations (45 CFR Part 164, subpart E) and must limit incidental uses or disclosures made pursuant to an otherwise permitted or required use or disclosure. The safeguards must also reasonably and appropriately protect the confidentiality, integrity, and availability of PHI that Business Associate creates, receives, maintains, or transmits on the City's behalf as required by the HIPAA security regulations (45 CFR Part 164, subpart C). Where applicable, Business Associate must use appropriate safeguards and comply with the HIPAA security regulations (45 CFR Part 164, subpart C) with respect to electronic protected health information, to prevent the use or disclosure of PHI other than as provided for by this Business Associate Agreement. Where feasible, PHI will not leave the City's facilities and will be accessed under the supervision of City employees.

7. Applicability of Business Associate Agreement to Subcontractors and Agents. Business Associate must ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI

on behalf of the Business Associate agrees to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information, by entering into a contract or other arrangement that complies with HIPAA. An agent or subcontractor of a Business Associate is not permitted to use or disclose PHI in a manner that would not be permissible if done by the Business Associate. Business Associate will ensure that its subcontractors and agents to which Business Associate is permitted by this Business Associate Agreement or in writing by the City to disclose PHI agree to implement reasonable and appropriate safeguards to protect PHI. Business Associate will obtain reasonable assurances from any subcontractors and agents to which Business Associate discloses PHI that the subcontractor or agent will hold PHI in confidence and make further uses or disclosures of PHI only for the purpose for which Business Associate disclosed PHI to the subcontractor or agent or as Required By Law.

Business Associate will obtain reasonable assurances that any subcontractor or agent to which Business Associate discloses PHI will notify the Business Associate within 5 calendar days (who will, in turn, notify the City within 5 calendar days, as described below) of any instance in which the subcontractor or agent becomes aware of a Breach of unsecured PHI; possible Breach of unsecured PHI; any security incident of which it becomes aware, including: any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with agent or subcontractor's system operations of which agent/subcontractor becomes aware.

Agent/subcontractor is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on agent/subcontractor's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, agent/subcontractor may delay notification to Business Associate for the time period specified in HIPAA. Agent or subcontractor's report will include the information described in 45 CFR 164.404(c) and such other information as the Business Associate or the City may reasonably request.

8. Reporting of Breaches, Potential Breaches, and Security Incidents. Business Associate must report to the City any use or disclosure of the PHI not provided for by this Business Associate Agreement of which it becomes aware, as well as any Breach of Unsecured PHI; potential Breach of unsecured PHI; any security incident of which it becomes aware; any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with Business Associate's system operations of which Business Associate becomes aware.

Business Associate will make the report to the City's HIPAA Privacy and Security Officers not more than five (5) calendar days after Business Associate discovers such non-permitted use or disclosure, Breach, security incident, or other incident as described above. Business Associate shall provide any reports or notices required by HIPAA as a result of Business Associate's Breach. On behalf of the City, Business Associate will provide such reports or notices to any party or entity (including but not limited to media, Secretary, and individuals affected by the Breach) entitled by law to receive the reports or notices. Business Associate agrees to pay the costs associated with notifying individuals affected by the Breach, which may include, but are not limited to, paper, printing, and mailing costs.

Business Associate is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, Business Associate may delay notifying City for the time period specified in HIPAA. Business Associate's report will include the information described in 45 CFR 164.404(c) and such other information as the City may reasonably request.

9. Mitigation and Penalties. Business Associate must mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Breach or of a use or disclosure of PHI by Business Associate in violation of the requirements of this Business Associate Agreement. Business Associate shall take reasonable steps to put corrective measures in place to prevent future Breaches (such as retraining employees and upgrading security systems). At the City's request, Business Associate shall take reasonable steps to mitigate the harm to affected Individuals whose PHI has been or may have been compromised as a result of a Breach by Business Associate, including obtaining credit monitoring services and offering identity theft insurance. To the extent that the City incurs civil or criminal monetary penalties as a result of a Breach by the Business Associate, the Business Associate agrees to reimburse the City for such penalties.

10. Designated Record Sets - Access. If the Business Associate has PHI in a Designated Record Set, then Business Associate must provide access to or otherwise make available, at the request of the City, and in the time and manner designated by the City, PHI in a Designated Record Set, to the City or, as directed by City, to an Individual or the individual's designee, in order to meet the requirements under 45 CFR 164.524.

11. Designated Record Sets – Amendments. If the Business Associate has PHI in a Designated Record Set, then Business Associate must make any amendments to PHI in a Designated Record Set that the City directs or agrees to pursuant to 45 CFR 164.526 at the request of the City or an Individual, and in the time and manner designated by the City, or take other measures as necessary to satisfy the City's obligations under 45 CFR 164.526.

12. Internal Practices, Books, and Records. Business Associate must make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of, the City available to the Secretary for purposes of determining compliance with HIPAA. Business Associate also must make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, the City available to the City in a time and manner designated by the City, for purposes of the Secretary determining City's compliance with HIPAA.

13. Accounting of Disclosures - Documentation. Business Associate must document the disclosures of PHI and information relating to such disclosures as would be required for City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with HIPAA, specifically 45 CFR 164.528.

14. Accounting of Disclosures – Provision of Information. Business Associate must provide to City or an individual, in time and manner designated by City, information collected which relates to the disclosure of PHI, to permit City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. If the Business Associate receives a request for accounting of disclosures directly from the individual, the Business Associate must respond to such request for an accounting of disclosures, provide the accounting of disclosures to the individual within the time required by 45 CFR 164.528, and provide the information regarding such request to the City, in the time and manner designated by the City.

15. Survival, Termination, and Return or Destruction of PHI. Upon termination of this Business Associate Agreement for any reason, the Business Associate's obligations under these contractual obligations shall survive termination and remain in effect:

- (a) until Business Associate has completed the return or destruction (in accordance with the United States Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals, or successor guidance documents), at the City's option, of all of the PHI provided by City to Business Associate, or created, maintained, or received by Business Associate on behalf of City, and



**Form Homeless CSBG 2015: to be used only for Delegate Agency Grant Agreements under the Homeless Services Program funded by the Illinois Department of Commerce and Economic Opportunity using Community Service Block Grant (CSBG) funds from HHS (Rev 12/14).**

(b) to the extent that Business Associate retains any PHI, e.g., Business Associate retains only the PHI which is necessary for its own management and administration or to carry out its legal responsibilities.

Upon the expiration or termination of the underlying Agreement, if feasible, the Business Associate must either:

- (1) return all PHI received from the City, or created, maintained, or received by Business Associate on behalf of the City, which the Business Associate still maintains in any form, to the City or
- (2) destroy it, at the City's option (in accordance with the United States Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals, or successor guidance documents).

This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

If Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend the protections of this Business Associate Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If it is infeasible for Business Associate to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Business Associate shall require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Business Associate Agreement to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Business Associate Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.

In the event of a breach of the terms of these contractual obligations, the cure and remedies of the Agreement shall govern. HIPAA's privacy rule (45 CFR § 164.504(e)(2)) requires that the Business Associate will authorize termination of this Business Associate Agreement by the City, if the City determines that the Business Associate has violated a material term of these contractual obligations.

16. Compliance with Obligations. To the extent the Business Associate is to carry out one or more of City's obligation(s) under Subpart E of 45 CFR Part 164, the Business Associate must comply with the requirements of Subpart E that apply to the City in the performance of such obligation(s). Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by the City.

17. No Third Party Rights. The terms and conditions of this Business Associate Agreement are intended for the sole benefit of Business Associate and City and do not create any third party rights.

18. Governing Law. To the extent not preempted by federal law, the Agreement shall be governed and construed in accordance with the laws of the State of Illinois.

**Form Homeless CSBG 2015: to be used only for Delegate Agency Grant Agreements under the Homeless Services Program funded by the Illinois Department of Commerce and Economic Opportunity using Community Service Block Grant (CSBG) funds from HHS (Rev 12/14).**

**Exhibit H**  
**Delegate Agency Grant Agreement**  
**Homeless Services Program**

**Grant Agreement with DCEO**

**(Attached)**



**Illinois  
Department of Commerce  
& Economic Opportunity**

Pat Quinn, Governor

February 24, 2014

Evelyn Diaz  
Commissioner  
City of Chicago  
1615 West Chicago Avenue  
Chicago, IL 60622-5127

Dear Ms. Diaz,

The Department of Commerce and Economic Opportunity (DCEO) would like to welcome you to our community of grantees, and congratulate you on your grant award (14-231036). You are now an active participant in the process of working toward the accomplishment of the economic development goals of the State of Illinois, DCEO, and your own organization.

DCEO is the lead state agency responsible for improving Illinois' competitiveness in the global economy. Guided by an innovative regional approach, DCEO administers a wide range of economic and workforce development programs, services and initiatives designed to create and retain high quality jobs and build strong communities. DCEO leads the Illinois economic development process in partnership with businesses, local governments, workers and families.

This "Welcome Package" is intended to provide you with critical information about and requirements of your grant award. Your success in accomplishing the goals and objectives agreed to and stated in your grant agreement is our success in working toward DCEO's economic development mission for the State of Illinois. To assure your success and to provide accountability for the funds entrusted to DCEO, we will review your grant's progress toward the achievement of goals and will provide oversight of grant-related deliverables and expenditures. DCEO will make every effort to provide you with the information and assistance you need to reach your goals and to maintain compliance with your grant responsibilities. It is our hope that you will contact us when you have questions or concerns about complying with the requirements or terms and conditions of the grant agreement.

To facilitate ongoing communication and to provide you with an electronic means to submit your reports, grantees with Internet access are encouraged to use email to submit your reports, documentation and other correspondence. Additional general information is available at the DCEO Office of Accountability's website <http://www.illinois.gov/dceo/Bureaus/OfficeOfAccountability/Pages/OfficeOfAccountability.aspx> to assist you in the management and administration of your grant. Grantees without Internet access will need to use other traditional means of communication with their assigned grant manager.

Once again, we congratulate you on your grant award and look forward to working in partnership with you to achieve our economic development goals.

Sincerely,

A handwritten signature in black ink that reads "Adam Pollet".

Adam Pollet  
Director

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[www.ildceo.net](http://www.ildceo.net)

500 East Monroe  
Springfield, Illinois 62701-1643  
217/782-7500 • TTY: 800/785-6055

100 West Randolph Street, Suite 3-400  
Chicago, Illinois 60601-3219  
312/814-7179 • TTY: 800/785-6055

2309 West Main, Suite 118  
Marion, Illinois 62959-1180  
618/997-4394 • TTY: 800/785-6055

**Grant Program Contact Information**

**For Grant Questions, Contact the Grant Manager**

**Name** Adrian Angel  
**Program** Community Services Block Grant CSBG  
**DCEO Bureau** Community Development  
**Email** Adrian.Angel@illinois.gov  
**Phone** 217-785-3498  
**Fax** (217)-558-4107

**Address**

500 E Monroe St  
Springfield, IL 62701

**For Audit Questions, Contact the Audit Unit**

**Name** Robert Bailey  
**Email** externalauditunit@illinois.gov  
**Phone** (217) 524-4083  
**Fax** (217) 558-6971

**Address**

500 E Monroe St  
Springfield, IL 62701

**For Financial Closeout Questions, Contact the Program Accountant**

**Name** Jennifer Barnes  
**Email** Jennifer.Barnes@Illinois.gov  
**Phone** 217-558-2431  
**Fax** (217) 524-8680

**Address**

500 E Monroe St  
Springfield, IL 62701

**Report Deliverable Schedule**

**Program Name:** Community Services Block Grant CSBG  
**DCEO Bureau:** Community Development

**Grant Begin Date:** 01/01/2014  
**Grant End Date:** 03/31/2015

External Audit Reports may be required. Refer to Section 3.1 of your Grant Agreement to determine whether you are required to submit an External Audit Report and the applicable due date.

Additional Instructions:

**April 2014**

- Quarterly Consolidated Status Report (04/30/2014) - Covering Period of 01/01/2014 - 03/31/2014; Send To: Grant Manager
  - Supporting Documents: Monitored on site.

**July 2014**

- Quarterly Consolidated Status Report (07/30/2014) - Covering Period of 04/01/2014 - 06/30/2014; Send To: Grant Manager
  - Supporting Documents: Monitored on site.

**October 2014**

- Quarterly Consolidated Status Report (10/30/2014) - Covering Period of 07/01/2014 - 09/30/2014; Send To: Grant Manager
  - Supporting Documents: Monitored on site.

**January 2015**

- Quarterly Consolidated Status Report (01/30/2015) - Covering Period of 10/01/2014 - 12/31/2014; Send To: Grant Manager
  - Supporting Documents: Monitored on site.

**April 2015**

- Quarterly Consolidated Status Report (04/30/2015) - Covering Period of 01/01/2015 - 03/31/2015; Send To: Grant Manager
  - Supporting Documents: Monitored on site.

**May 2015**

- End of grant Final Consolidated Status Report (05/15/2015) - Covering Period of 01/01/2014 - 03/31/2015; Send To: Grant Manager

**What you can find on the Office of Accountability Website**

The Office of Accountability website is located at  
<http://www.illinois.gov/dceo/Bureaus/OfficeOfAccountability/Pages/OfficeOfAccountability.aspx>.

**Additional Internet Resources**

Helpful on-line links and references to other DCEO websites, Federal Regulations, State of Illinois links, and resources for grants management.

**Grant Glossary of Terms and Acronyms**

Definitions of terms used throughout the grant cycle, as well as the explanation of commonly-used acronyms.

**Grants Monitoring Overview**

Explanations of the various types of Monitoring and Reporting, including what you can expect and what types of activities may be involved.

**Legal Issues**

Legal information with which all grantees must be familiar. Refer to the Accountability Office site to learn more about the Grant Funds Recovery Act, Conflict of Interest, and other important legal issues.

**Reporting Requirements**

Grantees are required to submit reports to DCEO as outlined in the Welcome Package Reports Deliverable Schedule. The template for the Quarterly Grantee Report is located at:  
<http://www.illinois.gov/dceo/ServicesGuide/GranteeResources/Reporting/Pages/Quarterly-Reports.aspx>. Grantees are required to use this form when submitting their quarterly reports to DCEO. Preference is that grantees complete the report electronically and email to their DCEO contact.

**Supporting Documentation Guidelines**

Grantees are required to adhere to the Supporting Documentation Guidelines located at:  
<http://www.illinois.gov/dceo/ServicesGuide/GranteeResources/Reporting/Pages/Supporting-Documentation-Guidelines.aspx>. Section I of the Guidelines indicates the supporting documentation that grantees are required to submit with their quarterly report. Section II of the Guidelines provides examples of supporting documentation that the grantee is required to maintain onsite or provide at the request of DCEO to support the grant expenditures.

**Noncompliance Process**

Information on the noncompliance process is located at:  
<http://www.illinois.gov/dceo/ServicesGuide/GranteeResources/Pages/Noncompliance.aspx>. The site includes information on what grantees should expect if they do not meet the terms and conditions of their grant, and the assistance available to grantees to re-establish compliance. The Legal requirements and processes describe how and when DCEO's legal staff, in accordance with the Grant Funds Recovery Act, become involved when grantees become non-compliant with the terms of their grant agreements.

**Requirements of DCEO Grantees**

A listing of requirements that you may be required to follow. Certain regulations must be adhered to such as enforcing a Drug-Free Workplace, following the Americans with Disabilities Act, establishing a Policy on Sexual Harassment, and more. You can also find detailed instructions about what a grantee must do to comply, as well as information about the consequences of non-compliance.



**Illinois  
Department of Commerce  
& Economic Opportunity**

Pat Quinn, Governor

Community Services Block Grant CSBG

Grant No. 14-231036

for the

City of Chicago

**Illinois Department of Commerce and Economic Opportunity**  
500 E. Monroe St.  
Springfield, IL 62701

**STATE OF ILLINOIS  
DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY**

**Notice of Grant Award No. 14-231036**

This Grant Agreement (hereinafter referred to as the "Agreement") is entered into between the Illinois Department of Commerce and Economic Opportunity (hereinafter referred to as the "Department" or "DCEO") and **City of Chicago** (hereinafter referred to as the "Grantee"). Subject to terms and conditions of this Agreement, the Department agrees to provide a Grant in an amount not to exceed **\$9,851,832.00** to the Grantee.

Subject to the execution of this Agreement by both parties, the Grantee is hereby authorized to incur costs against this Agreement from the beginning date of **01/01/2014** through the ending date of **03/31/2015**, unless otherwise established within Scope of Work (Part II). The Grantee hereby agrees to use the Grant Funds provided under the Agreement for the purposes set forth herein and agrees to comply with all terms of this Agreement.

This Agreement includes the following sections, all of which are incorporated into and made part of this Agreement:

**Parts:**

- I. Budget**
- II. Scope of Work**
- III Grant Fund Control Requirements**
- IV. Terms and Conditions**
- V. General Provisions**
- VI. Certifications**

This grant is federally funded.

Under penalties of perjury, the undersigned certifies that the name, taxpayer information number and legal status listed below are correct.

Name: City of Chicago

Taxpayer Identification Number:

SSN/FEIN: 366005820

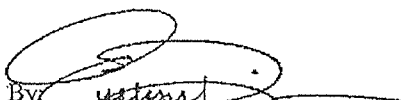


Legal Status:

- |   |   |
|---|---|
| <input type="checkbox"/> Individual (01)                    | <input type="checkbox"/> Estate or Trust (10)   |
| <input type="checkbox"/> Sole Proprietor (02)               | <input type="checkbox"/> Pharmacy-Noncorporate (11)                                       |
| <input type="checkbox"/> Partnership/Legal Corporation (03) | <input type="checkbox"/> Nonresident Alien (13)   |
| <input type="checkbox"/> Corporation (04)                   | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery Corp (15)                         |
| <input type="checkbox"/> Not For Profit Corporation (04)    | <input type="checkbox"/> Tax Exempt (16)  |
| <input type="checkbox"/> Medical Corporation (06)           | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input checked="" type="checkbox"/> Governmental (08)       | <input type="checkbox"/> C - Corporation  |
|   | <input type="checkbox"/> P - Partnership  |

GRANTEE:  
City of Chicago


Grantee's execution of this Agreement shall serve as its certification under oath that Grantee has read, understands and agrees to all provisions of this Agreement and that the information contained in the Agreement is true and correct to the best of his/her knowledge, information and belief and that the Grantee shall be bound by the same. Grantee acknowledges that the individual executing this Agreement is authorized to act on the Grantee's behalf. Grantee further acknowledges that the award of Grant Funds under this Agreement is conditioned upon the above certification.

By:   
(Authorized Signator)

Date: 2/7/14

Evelyn Diaz, Commissioner  
Name and Title

STATE OF ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

By:   
Adam Pollet, Director

By:   
Anita Patel  
Chief Financial Officer

Date: 3/3/14

Grantee Address:

Please indicate any address changes below .

1615 West Chicago Avenue.  
Chicago, IL 60622-5127

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In processing this grant and related documentation, the Department will only accept materials signed by the Authorized Signatory or Designee of this Agreement, as designated or prescribed herein. If the Authorized Signatory chooses to assign a designee to sign or submit materials required by this Agreement to the Department, the Authorized Signatory must either send written notice to the Department indicating the name of the designee or provide notice as set forth immediately following this paragraph. Without such notice, the Department will reject any materials signed or submitted on the Grantee's behalf by anyone other than the Authorized Signatory. The Authorized Signatory must approve each Authorized Designee separately by signing as indicated below. If an Authorized Designee(s) appears below, please verify the information and indicate any changes as necessary.

Signatures of both the Authorized Signatory and the Authorized Designee are required in order for the Authorized Designee to have signature authority under this Grant Agreement.

The following are designated as Authorized Designee(s) for the Grantee:

Authorized Designee: John Pfeiffer  
Authorized Designee Title: First Deputy Commissioner  
Authorized Designee Phone: 312-743-1496  
Authorized Designee Email:

Authorized Designee Signature: 

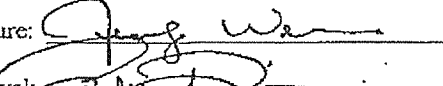
Authorized Signatory Approval: 

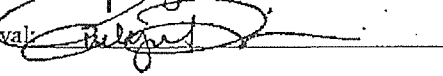
Authorized Designee: Baronica Roberson  
Authorized Designee Title: Managing Deputy Commissioner  
Authorized Designee Phone: 312-743-1496  
Authorized Designee Email: broberson@cityofchicago.org

Authorized Designee Signature: 

Authorized Signatory Approval: 

Authorized Designee: Jennifer Welch  
Authorized Designee Title: Managing Deputy Commissioner  
Authorized Designee Phone: 312-746-7448  
Authorized Designee Email:

Authorized Designee Signature: 

Authorized Signatory Approval: 

Authorized Designee: \_\_\_\_\_  
Authorized Designee Title: \_\_\_\_\_  
Authorized Designee Phone: \_\_\_\_\_  
Authorized Designee Email: \_\_\_\_\_

Authorized Designee Signature: \_\_\_\_\_

Authorized Signatory Approval: \_\_\_\_\_

## PART I

### BUDGET

Cost Category Description	Cost Cat	DCEO Budget Amount	Variance %	Variance Limit
PROG. SUP. - SERVICE	0101	7,443,375.00	20.00	0.00
CLIENT ASSIST. - BENEFITS	0201	30,000.00	20.00	0.00
ADMINISTRATION	0301	1,396,274.00	0.00	0.00
SPECIAL - ES/LIAB INSURANCE	0403	982,183.00	0.00	0.00
Total		\$9,851,832.00		

### BUDGET LINE ITEM DEFINITIONS

The definitions listed below will help to identify allowable costs for each of the budgeted lines in this Agreement. Any costs not specifically named below should be verified to be allowable by the DCEO grant manager prior to incurring the cost.

PROG. SUP. - SERVICE	This cost category relates to expenses that directly provide services to clients. Costs include: salaries and fringe benefits for program staff, program supplies, space costs, travel, equipment, telephone, etc.
CLIENT ASSIST. - BENEFITS	This cost category relates only to direct aid received by a CSBG client. Costs include: food, clothing, medicine, utilities, disaster relief, scholarship, tuition, homeless aid, transportation, etc.
ADMINISTRATION	This cost category relates to expenses not directly associated to the program activity. Costs include: director's office salaries and fringe benefits, space costs, audit, travel for director's office staff, other indirect costs.
SPECIAL - ES/LIAB INSURANCE	Non CSBG Loan Program costs that might include: stipends for CSBG eligible individuals in training, incentives to employers for hiring and training CSBG eligible individuals, costs associated with training and placement.

**Pass-Through Entity or Subgrantor Responsibilities.** If Grantee provides any portion of this funding to another entity through a grant agreement or contract, Grantee is considered to be a pass-through entity or subgrantor. Per Section 5.10(M) of the Agreement, Grantee must obtain written approval before it provides any portion of this funding to another entity through a grant agreement or contract. If the Department provides written approval, the Grantee must adhere to the following for any awards or contracts entered into using the Grant Funds listed above:

- (1) Inform any subrecipient(s) of the proper Federal award identifying information (shown below) as required by Federal regulations contained in OMB Circular A-133.

This Federally funded award is identified by the following:

<b>CFDA #</b>	93.569
<b>CFDA Title</b>	Community Services Block Grant
<b>Award #</b>	G-14B11LCOSR
<b>Federal Awarding Agency</b>	Department Of Health And Human Services

- (2) Advise any subrecipient(s) of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements which provided this funding. Advise subrecipient(s) of any supplemental requirements imposed by the pass-through entity or subgrantor (your organization).

## PART II

### SCOPE OF WORK

In consideration for the Grant Funds to be provided by the Department, the Grantee agrees to perform the Project described in Scope of Work (Part II) hereof, in accordance with the provisions of Budget (Part I) hereof.

<b>Employment</b>	<b>Total Persons : 70</b>	<b>Total Outcome : 70</b>
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#### **1.5 Employment Generating Projects**

The Workforce Services Programs will provide employment - related services to CSBG eligible clients who seek assistance with job training, development, placement and support services. The Workforce Services Programs will place seventy (70) CSBG eligible individuals into permanent employment.

<b>Persons: 70</b>	<b>Outcome Target: 70</b>
<b>CSBG Goal</b> #: 1	<b>CSBG Goal: LOW-INCOME PEOPLE BECOME MORE SELF-SUFFICIENT</b>

**Outcome Measure(s):**

1.1.A Unemployed and obtained a job

<b>Education</b>	<b>Total Persons : 30</b>	<b>Total Outcome : 30</b>
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#### **2.7 Other Education Projects**

The Department of Family and Support Services ("DFSS") will provide scholarships to thirty (30) CSBG eligible clients to attend post-secondary educational institutions.

<b>Persons: 30</b>	<b>Outcome Target: 30</b>
<b>CSBG Goal</b> #: 1	<b>CSBG Goal: LOW-INCOME PEOPLE BECOME MORE SELF-SUFFICIENT</b>

**Outcome Measure(s):**

1.2.M Make Progress toward post-secondary degree or certificate

<b>Emergency Services</b>	<b>Total Persons : 41,592</b>	<b>Total Outcome : 40,380</b>
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#### **5.4 Crisis Intervention and Crisis Case Management**

The Client Intervention and Stabilization Program consist of a client's assessment of need, and follow-up support as appropriate, including assigning clients to a caseworker for referrals or other services as needed to maintain self-sufficiency.

<b>Persons:</b> 40000	<b>Outcome Target: 40000</b>
<b>CSBG Goal</b> #: 6	<b>CSBG Goal: LOW-INCOME PEOPLE, ESPECIALLY VULNERABLE POPULATIONS, ACHIEVE THEIR POTENTIAL BY STRENGTHENING FAMILY AND OTHER SUPPORTIVE</b>

ENVIRONMENTS

**Outcome Measure(s):**

6.3.C.2 Parents and other adults learn and exhibit improved family functioning skills

**5.7 Homeless Aid**

To provide support to eight (8) homeless service delegate agency providers, seven (7) interim housing providers and one (1) permanent supportive housing, in the not-for-profit sector who are a part of DFSS' homeless services network. The delegate agencies provide interim housing and permanent supportive housing to individuals and families. Interim housing is 24/7 residential shelter that is accompanied by supportive services. Permanent Supportive Housing delegate agency will provide supportive services to individuals and families to maintain stable housing

<b>Persons:</b> 1592	<b>Outcome Target:</b> 380
<b>CSBG Goal</b> #: 1	<b>CSBG Goal:</b> LOW-INCOME PEOPLE BECOME MORE SELF-SUFFICIENT

**Outcome Measure(s):**

1.2.H Obtained safe and affordable housing

## PART III GRANT FUND CONTROL REQUIREMENTS

### 3.1 AUDITS

- A. Standard Audit If the Grantee is required to have a Standard Audit, the Grantee shall provide the Department with a copy of such audit report, applicable management letters (SAS 115), and applicable SAS 114 letters (Auditor's Communication With Those Charged With Governance) within thirty (30) days of the Grantee's receipt of such audit report, but in no event later than nine (9) months following the end of the period for which the audit was performed. The Audit Report is required to be provided to DCEO any year an audit is performed over the life of the grant. In lieu of providing a Standard Audit, the Grantee may submit a Grant-Specific Audit as defined in Section 3.1 D.
- B. Federal Requirements If the Grantee is required to have an audit performed pursuant to the Single Audit Act of 1984, as amended in 1996 ("Single Audit Act") and by the Office of Management and Budget Circular A-133 ("OMB Circular A-133"), the Grantee shall provide the Department with a copy of the audit report, applicable management letters (SAS 115), and applicable SAS 114 letters (Auditor's Communication With Those Charged With Governance), as provided for in the Single Audit Act and OMB Circular A-133, to the Department within thirty (30) days of the Grantee's receipt of such audit report, but in no event later than nine (9) months following the end of the period for which the audit was performed. The Audit Report is required to be provided to DCEO annually for the life of the grant. In accordance with the American Recovery and Reinvestment (ARRA) Act of 2009 Article 3, the audit report in the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) must separately identify all expenditures for federal awards including each subrecipient, the Federal Award number, CFDA number, and the amount of ARRA funds. Please refer to the ARRA Act Article 3 for further guidance. If no Single Audit is required of federally-funded Grantees, the Grantee is to provide DCEO with an annual letter stating a Single Audit was not required.
- C. Discretionary Audit The Department may, at any time, and at its discretion, request a Grant-Specific Audit or other audit, Management Letters (SAS 115) and SAS 114 Letters (Auditor's Communication With Those Charged With Governance) to be delivered within thirty (30) days of the Grantee's receipt of such audit report, but in no event later than nine (9) months following the end of the period for which the audit was performed.
- D. Grant-Specific Audit If the Grantee submits a Grant-Specific Audit either by requirement of the Department or in place of a Standard Audit, the Grant-Specific Audit must meet the following requirements:

The audit must be completed at the end of the grant and cover the entire grant period.

The audit must include a Revenue (Receipt) and Expenditure Statement, which verifies budget amounts with actual amounts for this grant. The audit must also include a compliance component which covers, at a minimum, the following items:

- Confirmation that the Grantee completed the activities described in the Scope of Work (Part II) within the grant term;
- Confirmation that the Grantee obtained prior written approvals from the Department for material changes from the performance of the activities described in the Scope of Work (Part II);
- Confirmation that the Grantee expended grant funds within the grant period;
- Confirmation that the Grantee adhered to the grant Budget (Part I) or, if not variances must be identified;
- Confirmation that the Grantee obtained prior written approvals from the Department for any material variances in its expenditure of grant funds;

- Confirmation that the Grantee adequately accounted for the receipts and expenditures of grant funds;
  - Confirmation, if applicable, that the Grantee returned grant funds and interest to the Department in accordance with the provisions of the Grant Agreement; and
  - Confirmation that the amounts reported in the Final Grantee Report are traceable to its general ledger and accounting records.
- E. Audit Performance All Audits shall be performed by an independent certified public accountant or accounting firm licensed by the appropriate licensing body in accordance with applicable auditing standards.
- F. Audit Submission The Grantee shall electronically send all audit reports and related deliverables to the Department at the following address:

externalauditunit@illinois.gov

If the Grantee is unable to submit the aforementioned documents to the Department electronically, the information shall be sent to the Department at the following address:

Illinois Department of Commerce and Economic Opportunity  
Office of Accountability  
External Audit Section  
500 East Monroe Street  
Springfield, IL 62701

### 3.2 REPORTING REQUIREMENTS

In addition to any other documents specified in this Agreement, the Grantee must submit the following reports and information in accordance with the provisions hereof.

- A. Expenditures and Project Activity Prior to Grant Execution If the Agreement is executed more than thirty (30) days after the beginning date of the grant term provided in the Notice of Grant Award, the Grantee must submit a Grantee Report, in a format provided by the Department, including the status of the Project, certification of job counts and accounting for expenditures incurred from the beginning of the grant term up to the end of the month preceding the date of the Department's execution. If this Report is required, the Department will not disburse any Grant Funds until the report is submitted to and approved by the Department.
- B. Final Grantee Report The Final Grantee Report described in Section 5.3 hereof is due within 45 days following the end date stated in the Notice of Grant Award. The Grantee should refer to the Welcome Package and the Reports Deliverable Schedule for the specific reporting requirements and due dates. Grantee must submit the report in the format provided by the Department. This report must summarize expenditure of the Grant Funds and activities completed during the grant term. The Grantee's failure to comply with the Close-out requirements set forth herein and in Section 5.3 will be considered a material breach of the performance required by this Agreement and may be the basis to initiate proceedings to recover all Grant Funds disbursed to the Grantee. Grantee's failure to comply with this Section shall be considered prima facie evidence of default, and may be admitted as such, without further proof, into evidence before the Department or in any other legal proceeding.
- C. Additional Information Upon request by the Department, the Grantee must, within the time directed by the Department, submit additional written reports regarding the Project, including, but not limited to, materials sufficient to document information provided by the Grantee.
- D. Submittal of Reports Submittal of all reports and documentation required under this Agreement should be submitted to the individual as directed by the Department. All grants require, at a minimum, the filing of



quarterly reports describing the progress of the program, project, or use and the expenditure of the grant funds related thereto.

- E. Failure to Submit Reports In the event Grantee fails to timely submit any reports required under this Agreement, the Department may withhold or suspend the distribution of Grant Funds until said reports are filed and approved by the Department.

### 3.3 WELCOME PACKAGE

Upon execution of this Grant Agreement, the Grantee will receive a Welcome Package detailing reporting requirements and procedures relating to the Grant. The Grantee is obligated to comply with those requirements and any revisions thereto in accordance with Section 3.2(B) of this Grant Agreement.

### 3.4 FISCAL RECORDING REQUIREMENTS

The Grantee's financial management system shall be structured to provide for accurate, current, and complete disclosure of the financial results of the Project funded under this grant program. The Grantee is accountable for all Grant Funds received under this Grant, including those expended for sub grantees. The Grantee shall maintain effective control and accountability over all Grant Funds, equipment, property, and other assets under the grant as required by the Department. The Grantee shall keep records sufficient to permit the tracing of Grant Funds to a level of expenditure adequate to insure that Grant Funds have not been inappropriately expended, and must have internal controls consistent with generally accepted accounting practices adopted by the American Institute of Certified Public Accountants.

### 3.5 DUE DILIGENCE IN EXPENDITURE OF FUNDS

Grantee shall ensure that Grant Funds are expended in accordance with the following principles: (i) grant expenditures should be made in accordance with generally accepted sound, business practices, arms-length bargaining, applicable federal and state laws and regulations; (ii) grant expenditures should conform to the terms and conditions of this Agreement; (iii) grant expenditures should not exceed the amount that would be incurred by a prudent person under the circumstances prevailing at the time the decision is made to incur the costs; and (iv) grant accounting should be consistent with generally accepted accounting principles.

### 3.6 MONITORING

The grant will be monitored for compliance in accordance with the terms and conditions of the Grant Agreement, together with appropriate programmatic rules, regulations, and/or guidelines that the Department promulgates or implements. The Grantee must permit any agent authorized by the Department, upon presentation of credentials, in accordance by all methods available by law, including full access to and the right to examine any document, papers and records either in hard copy or electronic, of the Grantee involving transactions relating to this grant.

### 3.7 RECORDS RETENTION

The Grantee is accountable for all Grant Funds received under this Agreement and shall maintain, for a minimum of four (4) years following the Department's final written approval of all required close-outs, unless the Department notifies the Grantee prior to the expiration of the four years that a longer period is required, adequate books, records, and supporting documents, including digital and electronic data, to verify the amount, recipients and uses of all disbursements of Grant Funds passing in conjunction with this Agreement. This Agreement and all books, records and supporting documents related hereto shall be available for inspection and audit by the Department, the Office of Inspector General, the Auditor General of the State of Illinois, the Illinois Attorney General, or any of their duly authorized representative(s), and the Grantee agrees to fully cooperate with any audit performed by the Auditor General or the Department. Grantee agrees to provide full access to all relevant materials and to provide copies of same upon request. Failure to maintain books, records and supporting documents required by this Agreement shall establish a presumption in favor of the Department for the recovery of any Grant Funds paid by the Department under

this Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement or expenditure.

If any of the services to be performed under this Agreement are subcontracted and/or if subgrants are issued/awarded for the expenditure of Grant Funds provided under this Agreement, the Grantee shall include in all such subcontracts and subgrants, a provision that the Department, the Office of Inspector General, and the Auditor General of the State of Illinois, or any of their duly authorized representatives, will have full access to and the right to examine any pertinent books, documents, papers and records of any such subcontractor or subgrantee involving transactions related to this Agreement for a period of four (4) years following the Department's final approval of all required close-outs (financial and/or programmatic), and any such subcontractor shall be governed by the same requirements to which the Grantee is subject under this Agreement.

## PART IV TERMS AND CONDITIONS

### 4.1 AUTHORITY: PURPOSE: REPRESENTATIONS AND WARRANTIES

- A. Authority The Department is authorized to make this grant pursuant to 42 U.S.C.A. 9901 et seq. and 20 ILCS 625.

The purpose of this authority is as follows:

Provide grants to Community Action Agencies for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

- B. Purpose; Representations and Warranties The sole purpose of this grant is to fund the Grantee's performance of the Project, described in Scope of Work (Part II) hereof, during the term of this grant. The Grantee represents and warrants that the grant proposal/application submitted by the Grantee is in all material respects true and accurate; that it is authorized to undertake the obligations set forth in this Agreement and that it has obtained or will obtain and maintain all permits, licenses or other governmental approvals necessary to perform the Project described in Scope of Work (Part II).

### 4.2 PROJECT SCHEDULE; EXTENSIONS

- A. Project Schedule The Grantee must complete the Scope of Work (Part II) within the grant term. The Department may require the submission of deliverables. Deliverables must be provided as directed by the Department. For purposes of this Agreement, the Grant Period Begin Date shall be the Project Commencement Date and the Grant Period End Date shall be the Project Completion Date unless these dates are clearly identified as distinctly different in the Scope of Work (Part II).
- B. Extensions Extensions of the grant term will be granted only for good cause. Grantees requiring an extension of the grant term should submit a written request to the Program Manager prior to the grant expiration date stating the reason for the extension. All extensions must comply with requirements of Section 5.7.

Grantee's failure to adhere to the schedule set forth in Scope of Work (Part II) may be grounds for suspension or termination of this Agreement pursuant to Section 5.5 herein. Further, failure by the Grantee to comply with the terms and conditions outlined in Scope of Work (Part II), or with any additional terms and conditions within the Agreement, may result in the Grantee being deemed ineligible by the Department for future funding.

### 4.3 PAYMENT AND EXPENDITURE OF GRANT FUNDS

- A. Expenditure of Funds; Right to Refund Payment of the grant amount specified in the Notice of Grant Award shall be made to the Grantee as specified herein. Grant Funds provided under this Agreement must be expended only to perform the tasks set forth in the Scope of Work (Part II) of this Agreement. In addition to reasons set forth in other sections of this Agreement, the Department will require a refund from Grantee if (i) the total grant expenditures are less than the amount vouchered to the Grantee from the Department pursuant to the Notice of Grant Award; or (ii) Grant Funds have not been expended or legally obligated within the grant term in accordance with Budget (Part I) and Scope of Work (Part II) hereof. If the Department requires a refund under either of the above circumstances, the Grant Funds must be returned to the Department within forty-five (45) days of the end of the grant term or the otherwise effective Grant Agreement termination date.
- B. Payment Provisions; Prior Incurred Costs

#### Reimbursement

Payments to the Grantee are subject to the Grantee's submission and certification of eligible costs and any documentation as required by the Department. Payment shall be initiated upon the Department's approval of eligible costs and cash amount requested for reimbursement of those costs.

#### 4.4 GRANT SPECIFIC TERMS/CONDITIONS

- A. **Subgrants.** The Department acknowledges and recognizes that any subgrantee(s) named in the Scope of Work (Part II) will be receiving a subgrant(s) under this Grant Award and will be performing services to further and fulfill the Scope of Work as directed by the Grantee. The Grantee acknowledges and agrees that Grantee remains responsible for administering and fulfilling all of the terms and conditions of this Grant Agreement including the procurement requirements as required in Sections 4.4(D) and 5.10(M) hereof. The Grantee is responsible for incorporating a copy of this Grant Agreement into any subgrant or contract or agreement between itself and the subgrantee(s) and is responsible for ensuring that it and its subgrantee(s) are in compliance of the same.
- B. **Grant Administrator.** If the Grantee chooses to appoint a grant administrator, the Grantee must advise the Department of the same, in writing, and the Grantee remains primarily responsible for administering all terms and conditions of this Grant Agreement and the Grantee remains primarily responsible for ensuring that all grant funds are expended in accordance with this Grant Agreement, the Community Services Block Grant Program [42 U.S.C.A § 9901 *et seq.*], the Code of Federal Regulations, the Illinois Opportunity Act [20 ILCS 625], the Illinois Administrative Rules for the State Administration of the Federal Community Services Block Grant Program [47 Ill Adm. Code 120], the Uniform Administrative Requirement for Grants and Cooperative Agreements to State, Local and Tribal Governments [45 CFR part 92], the Department's Annual Consolidated Plan and the Community Development Assistance Program Grants Management Handbook. Any grant administrator shall be subject to and shall comply with all terms and conditions of this Grant Agreement. The Grantee is responsible for incorporating a copy of this Grant Agreement into any contract or agreement between itself and the grant administrator and is responsible for ensuring that it and/or the grant administrator is in compliance of the same.
- C. **Allowable Costs.** Costs allowable under this Agreement shall conform to the cost principles applicable to the organization incurring the costs. Units of local government shall use the principles established in OMB Circular A-87. Nonprofit grantees shall use the principles established in OMB Circular A-122. Commercial organization vendors or subcontractors are subject to the cost principles under 45 CFR Part 31. 45 CFR § 92.22.

The OMB Circulars can be located under the Agency Information heading on the OMB's Internet home page (<http://www.omb.gov>). Further, costs charged to this Agreement shall not exceed the amount established in the Notice of Grant Award. The Grantee's agency's fiscal system must provide for the accountability and management of grants funds in accordance with state requirements.

- D. **Procurement.** When procuring property or services under this Grant, the Grantee shall use its own procurement procedures, which reflect applicable state and local laws and regulations, **provided** that the procurements conform to all applicable federal law and standards identified in 45 CFR § 92.36.
- E. **Supplementary Schedule for the CSBG Revolving Loan Program.** In addition to the reporting requirements and the audit requirements set forth in Part III, the Grantee shall prepare and include a supplementary schedule that contains a list of CSBG loans made by the Grantee during the period covered by the Grant Term. The Grantee shall also certify that any and all formal loan agreements and/or loan documents pertaining to the loans are contained in its files and are available for auditing, monitoring or inspection by the Department or its designees. For each loan, the supplementary schedules shall list the name of the borrower, the term of the loan, the amount of the loan, the closing date of the loan, the status of the loan, the amount of repaid principal on the loan and the amount of repaid cash on hand as of the ending

date covered by the audit. The audit firm must verify that the repaid amounts and balances are in accordance with the Grantee's reports submitted to the Department.

**Information Survey Report:** An information survey report shall be prepared in the form and manner prescribed by the Department and shall be submitted to the Department by February 15<sup>th</sup> of the current Grant Term.

**Report Submission:** Any and all reports or schedules required under this Agreement shall be submitted to the Department's Program Manager identified in Section 4.15 hereof.

- F. **Bond and Depositor Insurance Requirements.** The Grantee will provide bonding for every officer, director or employee who handles funds under this Agreement. The amount of coverage shall be the higher of \$100,000 or the highest cash draw during the term of the Grant Term. The Grantee shall place grant funds in insured accounts whenever possible. In the event grant fund deposits exceed insured limits, the Grantee shall require the depository to pledge securities sufficient to cover the uninsured exposure.
- G. **Loans to Businesses.** The Grantee agrees that when making loans under the CSBG Loan Program, it will make said loans in compliance with the Illinois Administrative Rules found at 47 Ill Adm. Code 120 and/or in the CSBG Loan Program Manual. The Illinois Administrative Rules can be found at [www.ilga.gov](http://www.ilga.gov) under the Administrative Rules heading.

The Department considers the principal of the repaid loan to be a Community Services Block Grant related asset, which is held in trust by the Grantee. The Grantee must place the repaid loan principal in a corporate revolving loan account to continue assisting business efforts in compliance with the aforementioned directives. This continuation requirement shall be perpetually binding on the Grantee, its successors and assignees until such time as the Department and the Grantee formally negotiate other CSBG related users for the recovered loan principal. The interest earned on the CSBG supported business loans is not required to be a part of the perpetuation of the loan program and is not subject to the provisions of the Illinois Grant Funds Recovery Act and may be used for any corporate purpose.

Upon termination of a CSBG funding relation between the Department and the Grantee, the Grantee shall assign all future payments of principal and interest on CSBG supported loans to the Department and shall return, along with other unspent grant funds, all unspent recaptured loan principal to the Department.

- H. **Publication.** Any publication produced as a result of or with funding under this Grant shall contain the following language on its title page: **“This project was conducted with funds provided under the Community Services Block Grant Program administered by the Illinois Department of Commerce and Economic Opportunity and it does not necessarily represent in whole or in part the viewpoint of the Illinois Department of Commerce and Economic Opportunity.”**
- I. **Modifications to the Budget.** In addition to the modification requirements set forth in Sections 4.4 and 5.7, the Grantee agrees to the additional budget modification requirements.
- 1) The Program Support and Client Assistance cost categories and all inclusive line items may vary up to 20% from the approved budget amount, which will be evaluated during the close-out process.
  - 2) In no event shall the Administration cost category be increased without the Department's prior written approval.
  - 3) The Special cost category may not be changed without the Department's prior written approval. Any increase in cost categories or line items shall not alter the requirements for formal modifications of Parts I and II of this Agreement when goals, objectives and activities are measurably changed. The Grantee shall not make any change in line items or cost categories that will increase the total grant budget, without the Department's prior written approval.
- J. **Nonexpendable Personal Property.** The Grantee may not purchase nonexpendable personal property costing \$5,000 or more without the Department's prior written approval. The Grantee may hold title in its name to all equipment or nonexpendable tangible personal property purchased with grant funds for

program operations subject to the following: It is understood that nonexpendable personal property purchased by the Grantee with funds provided under this Grant and nonexpendable personal property received from the Department shall not be considered the Grantee's property, but shall be held by Grantee in trust for the benefit of the People of the State of Illinois. As such, the Grantee may not sell, dispose of or, abandon such property without the Department's prior written approval. Equipment must be necessary and be used only in the performance of the Scope of Work or only for the originally authorized purpose(s) and only as long as needed for such purpose(s). While being used in the performance of the Scope of Work, equipment may be made available for "shared use" with other activities, provided that use will not interfere with its use for the original project. When the property is no longer needed for the original purpose, equipment may be used for other projects subject to the Department's written approval. The Grantee agrees to maintain appropriate property records and conduct an annual inventory of all equipment or nonexpendable personal property purchased with grant funds. 45 CFR § 92.32. Within thirty (30) days of receipt of purchased equipment, an "Equipment Acquisition Form" shall be completed and submitted to the Department's Program Manager identified in Section 4.15. Upon termination of the Grant Agreement and upon the Department's election, the Grantee shall surrender possession of such property to the Department.

- K. **Publication, Reproduction and Use of Material.** The U.S. Department of Health and Human Services reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes the copyright in any work developed under this grant or contract under this grant and any rights of copyright to which the grantee or a contractor purchases ownership with grant funds. 45 CFR § 92.34. The Department shall have unrestricted authority to publish, disclose, distribute or otherwise use, in whole or in part, any reports, data, or other materials prepared under this Grant Agreement.
- L. **Monitoring and Evaluation.** The Department will periodically monitor and evaluate the Grantee's performance under this Agreement for compliance with federal regulations, state administrative rules, statutes and programmatic guidelines and all covenants under this Grant Agreement. The Grant will be evaluated to gauge its impact upon the low-income community and to determine the effective and efficient utilization of grant funds. Evaluations will occur both during the performance of the Scope of Work and after completion.
- M. **Board Requirements.** This Grant Agreement is conditionally approved pending verification that the tripartite board requirement has been met (42 U.S.C.A. § 9910). In the event that the Grantee fails to fulfill the tripartite board requirement, on a calendar quarterly basis, the Department shall monitor and evaluate the Grantee's progress in becoming compliant with this requirement. The Grantee's failure to become compliant shall be considered a default under Section 5.4 of this Agreement and the grant funds will be subject to recovery.
- N. **Assurances.** The Grantee hereby assures with respect to the Community Services Block Grant that:
- 1) It agrees to use funds provided under this Agreement to meet Community Services Block Grant funding prerequisites and to prepare all necessary application information for the Community Services Block Grant Program;
  - 2) It agrees to use the federal funds available to and through the State of Illinois in accordance with 42 U.S.C.A. § 9908, § 9916, § 9917 and § 9918 *et seq.*;
  - 3) It agrees to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under Part A of Title IV of the Social Security Act (42 U.S.C. §601 *et seq.*), homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families to enable the families and individuals:
    - a. To remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under Part A of Title IV of the Social Security Act);
    - b. To secure and retain meaningful employment;

- c. To attain an adequate education, with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying out family literacy initiatives;
  - d. To make better use of available income;
  - e. To obtain and maintain adequate housing and a suitable living environment;
  - f. To obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and,
  - g. To achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to document best practices based on successful grassroots intervention in urban areas:
    - (i) To develop methodologies for widespread replication; and,
    - (ii) To strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.
- 4) To address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as:
- a. Programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and,
  - b. After-school child care programs.
- 5) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts);
- 6) It agrees to provide information/documentation to the Department including:
- a. A description of the service delivery system for services provided or coordinated with funds made available through grants made under (42 U.S.C.A. §9907(a)), targeted to low-income individuals and families in communities within the State;
  - b. A description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
  - c. A description of how funds made available through grants made under (42 U.S.C.A. §9907(a)) will be coordinated with other public and private resources; and,
  - d. A description of fund usage to support innovative community and neighborhood-based initiatives related to the purposes of the Community Services Block Grant, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.
- 7) To provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals;

- 8) To coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and to coordinate the provision of employment and training activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998;
- 9) To coordinate between antipoverty programs in each community, where appropriate, with emergency energy crisis intervention programs under Title XXVI (relating to low-income home energy assistance) conducted in such community;
- 10) To coordinate programs and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations;
- 11) To establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) to petition for adequate representation;
- 12) To submit, as a condition to receipt of funding, a community action plan that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs;
- 13) To participate in the Results Oriented Management and Accountability System, or another performance measure system for which the Secretary facilitated development pursuant to 42 U.S.C.A. § 9908 and § 9917(b);
- 14) To comply with the prohibition against use of Community Services Block Grant funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in 42 U.S.C.A. § 9918;
- 15) To ensure that programs assisted by Community Services Block Grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity;
- 16) To ensure that no person shall, on the basis of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Community Services Block Grant program funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. § 6101 *et seq.*) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 12131 *et seq.*) shall also apply to any such program or activity;
- 17) To provide that adequate fiscal control and fund accounting procedures that follow the standards of the Office of Management and Budget (OMB Circulars A-110 and A-122) will be established as may be necessary to assure the proper disbursement of and accounting for federal funds granted by the State to the Grantee under this program, including procedures for monitoring the assistance provided under this program, and provide that at least every year the Grantee shall have prepared a certified audit performed by an independent public accountant with a CPA designation of its expenditures of amounts received under this program and amounts transferred to carry out the purposes of this program; a copy of the audit report shall be forwarded to the Department within 30 days of its publication; and,



- 18) To not enter into any contract(s) with any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.” 45 CFR § 92.35.

- O. **Audits, Inspections and Record Retention.** The Grantee will as often as deemed necessary by the Department or the Comptroller of the State of Illinois, or the U. S. Department of Health and Human Services, or the Comptroller General of the United States, or any of their duly authorized representatives, permit the Department, or the Comptroller of the State of Illinois, or the U. S. Department of Health and Human Services, or Comptroller General of the United States, or any of their duly authorized representatives to have full access to and the right to examine any pertinent books, documents, papers and records of the Grantee involving transactions related to this Grant. The Grantee shall include in all of its contracts under this Grant a provision that the Department or the Comptroller of the State of Illinois, or the U. S. Department of Health and Human Services, or the Comptroller General of the United States, or any of their duly authorized representatives will have full access to and the right to examine any pertinent books, documents, papers and records of any such contractor involving transactions related to the contract. The Grantee is accountable for all Grant Funds received under this Agreement and shall maintain, for a minimum of four (4) years following written approval from the Department that all disbursements of grant funds have been reviewed, considered adequate and closed by the Department.

The Grantee is accountable for all Grant funds received under this Agreement and in addition to the requirements contained in Section 3.7 hereof, shall maintain, until the closeout of the grant by the U.S. Department of Health and Human Services, all records that are pertinent to the activities funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a description of each activity undertaken
- b. Records demonstrating that each activity undertaken is in compliance with the CSBG program;
- c. Records required determining the eligibility of activities;
- d. Records required to document the use of grant funds is in accordance with applicable cost principles as further described in 45 CFR § 92.22, § 92.42 and in OMB Circular A-87 (for governmental entities) and OMB Circular A-122 (for private nonprofit organizations); and
- e. Financial records as required by 45 CFR §92.20.

#### 4.5 **DEPOSIT OF GRANT FUNDS**

Grant Funds paid in advance of realized costs must be kept in an interest bearing account and maintained therein until used in accordance with the terms and conditions of this Agreement. The Department may waive this requirement upon a written request from the Grantee; however written Departmental approval must be received before any Grant Funds are kept in a non-interest bearing account. Grantee will be responsible for the payment of interest to the Department at a rate equal to twelve percent (12%) per annum on any of the Grant Funds kept in a non-interest bearing account without prior Departmental written approval.

Any interest earned on these Grant Funds must be accounted for as provided in Section 4.6 of this Agreement. Exceptions to Section 4.5 are not permissible without prior written approval by the Department.

Grant Funds paid in reimbursement of previously paid costs may be kept in a non-interest bearing account at the Grantee’s discretion.

#### 4.6 **INTEREST EARNED ON GRANT FUNDS**

In accordance with federal Uniform Administrative Requirements for Grants and Cooperative Agreements, the Grantee may be allowed to retain a portion of interest earned on Grant Funds awarded under this Agreement, applying the following guidelines:

A. Interest retention limits by entity type

- (1) **Governmental** - Interest earned by units of state or local government on Grant Funds before disbursement of the Grant Funds for activities is not program income and must be returned to the federal Treasury through the Department, except that the unit of state or local government may keep interest amounts of up to \$100 per year for administrative expenses; and
- (2) **Non-governmental** - Interest earned by non-governmental entities on Grant Funds before disbursement of the Grant Funds for activities is not program income and must be returned to the federal Treasury through the Department, except that the non-governmental entities may keep interest amounts of up to \$250 per year for administrative expenses; and

B. Any interest earned in excess of the allowable amount, as calculated in 4.6 A(1) or 4.6 A(2), must be returned as interest to the Department in accordance with the directions provided by the Department in Section 5.3 herein; and

C. All interest earned must be accounted for and reported to the Department in the Final Grantee Report described in Section 5.3 herein.

4.7 INTENTIONALLY LEFT BLANK

4.8 SUPPORT

Grantee, through its agents, employees and contractors, will provide all equipment, supplies, services and other items of support which are necessary for the effective performance of the Project, unless the Agreement specifically sets forth items of support to be provided by the Department.

4.9 OWNERSHIP, USE AND MAINTENANCE OF PERSONAL PROPERTY

A. Ownership Subject to the provisions of this Section 4.9, and the remedies available to the Department as set forth in Section 4.11 below, equipment and material authorized to be purchased with Grant Funds becomes the property of the Grantee. Grantee will maintain an inventory or property control record for all equipment and material purchased with Grant Funds.

B. Use; Maintenance; Insurance During the Grant term, the Grantee must:

- (1) use equipment and materials acquired with Grant Funds only for the approved Project purposes set forth in Scope of Work (Part II); and (2) provide sufficient maintenance on the equipment and materials to permit achievement of the approved Project purposes and maintain, at its own expense, insurance coverage on all equipment and material purchased with Grant Funds, for its full insurable value, against loss, damage and other risks ordinarily insured against by owners or users of similar equipment and material in similar businesses.

C. Prohibition Against Disposition/Encumbrance The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment or material during the grant term without prior written approval of the Department.

4.10 PUBLIC INFORMATION REQUIREMENTS

For the duration of the Agreement, the Grantee will prominently acknowledge the participation of the Department in the Project in all press releases, publications and promotional materials presented to the media or otherwise dissemination published concerning the Project. The Grantee must provide the

Department with copies of any proposed press releases, publications and promotional materials within ten (10) days, or as soon as practical with written permission from the Department, before these materials are disseminated. Grantee will submit copies of any press releases, publications and promotional materials to the Department.

The Grantee will provide adequate advance notice pursuant to Section 4.12 of promotional events such as open houses, dedications, or other planned publicity events; and will also coordinate in the planning of said events. Any materials or displays to be distributed in connection with the promotional event must be submitted to the Department in advance of publication or dissemination and must prominently acknowledge the Department's participation in the Project.

#### **4.11 DEPARTMENT REMEDIES**

In addition to any remedies found elsewhere in this Agreement or at law, the Department may elect any of the following remedies in the event this Agreement is terminated pursuant to Section 5.5 herein. Grantee must comply with the Department's direction within 45 days following written notice or demand from the Department.

- A. The Department may direct the Grantee to refund all grant moneys disbursed to it under this Agreement;
- B. The Department may direct the Grantee to remit an amount equivalent to the "Net Salvage Value" of all equipment or materials purchased with Grant Funds provided under this Agreement. For purposes of this Agreement, "Net Salvage Value" is defined as the amount realized, or that the Parties agree is likely to be realized from, the sale of equipment or materials purchased with Grant Funds provided under this Agreement at its current fair market value, less selling expenses;
- C. The Department may direct the Grantee to transfer ownership of equipment or material purchased with Grant Funds provided under this Agreement to the Department or its designee.

#### **4.12 NOTICES**

Notices and other communications provided for herein shall be given in writing by first class mail, by registered, or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the respective party at the address set forth on the signature page hereto, or to such other authorized designees as the parties may designate in writing from time to time. Grantee is responsible for providing the Department with correct address and contact information for itself and its designees. Any notice to the Grantee shall be deemed to have been provided if sent to the address or contact information on the signature page or to the address of an authorized designee. Notice to the Department is deemed to have been provided at the time it is actually received.

#### **4.13 COMPLAINT PROCESS**

In the event of a Grantee complaint, the Department's Administrative Hearing Rules shall govern and said rules can be found at Title 56 Illinois Administrative Code, Section 2605.

#### **4.14 GRANT FUNDS RECOVERY ACT (30 ILCS 705/1, ET SEQ.)**

This Agreement is subject to all applicable provisions of the Illinois Grant Funds Recovery Act, including the requirement that any Grant Funds not expended or legally obligated at the expiration or termination of the Grant term must be returned to the Department within 45 days following said expiration or termination. Notwithstanding any provision specified elsewhere in this Agreement regarding the treatment of interest earned on the Grant Funds, any interest earned on Grant Funds that is not expended or legally obligated during the Grant term must also be returned to the Department within 45 days following the expiration or termination of this Agreement.

#### 4.15 GRANT PROJECT MANAGEMENT

All necessary and ordinary communications, submittals, approvals, requests and notices related to the Project shall be submitted to:

Adrian Angel  
Illinois Department of Commerce and Economic Opportunity  
500 E. Monroe St.  
Springfield, IL 62701

#### 4.16 FEDERALLY FUNDED GENERAL GRANT PROVISIONS

A. Lobbying Restrictions The Grantee acknowledges that receipt of Grant Funds under the Agreement may require compliance with Section 319 of Public Law 101-121 (31 U.S.C.A. 1352) regarding the certification and disclosure of lobbying activities with the Federal Government and agrees to comply with those provisions, and all federal rules promulgated by the United States Department of Health and Human Services, the funding source for implementation of programs operated under this Agreement; and will require that this assurance of compliance is part of any sub-agreements executed hereunder.

By executing this Agreement on behalf of the Grantee, the Authorized Signatory hereby certifies, to the best of his or her knowledge and belief, that:

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made and entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who failed to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- B. Debarment The Grantee certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Agreement by any Federal department or agency.
- C. Environmental Tobacco Smoke Public Law 103-227, Part C. Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Tobacco Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age

of 18 if the services are funded by Federal programs either directly or through States or local governments by Federal grant, contract, loan or loan guarantee. This language must be included in all sub-awards containing provisions for children's services.

**PART V  
GENERAL PROVISIONS**

**5.1 GRANTEE REPRESENTATIONS AND WARRANTIES; GRANTEE GENERAL COVENANTS**

- A. Grantee Representations and Warranties In connection with the execution and delivery of this Agreement, the Grantee makes the following representations and warranties to the Department:
- (1) That it has all requisite authority to carry on its business and to execute, deliver and consummate the transactions contemplated by this Agreement;
  - (2) That its employees, agents and officials are competent to perform as required under this Agreement;
  - (3) That it is the real party in interest to this Agreement and is not acting for or on behalf of an undisclosed party;
  - (4) That it has taken all necessary action under its governing documents to authorize the execution and performance of this Agreement under the terms and conditions stated herein;
  - (5) That it has no public or private interest, direct or indirect, and shall not acquire, directly or indirectly any such interest which does or may conflict in any manner with the performance of the Grantee's services and obligations under this Agreement;
  - (6) That no member of any governing body or any officer, agent or employee of the State, is employed by the Grantee or has a financial or economic interest directly in this Agreement, or any compensation to be paid hereunder except as may be permitted applicable statute, regulation or ordinance;
  - (7) That there is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee's knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by this Agreement;
  - (8) That to the best of the Grantee's knowledge and belief, the Grantee, its principals and key project personnel:
    - (a) Are not presently declared ineligible or voluntarily excluded from contracting with any Federal or State department or agency;
    - (b) Have not within a three-year period preceding this Agreement been convicted of any felony; been convicted of a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; had a civil judgment rendered against them for commission of fraud; been found in violation of Federal or State antitrust statutes; or been convicted of embezzlement, theft, larceny, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property; and
    - (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in subparagraph (b) of this certification.

Any request for an exception to the provisions of this paragraph must be made in writing, listing the name of the individual, home address, type of conviction and date of conviction.

- (9) That this Agreement has been duly executed and delivered on behalf of the Grantee and constitutes a legal, valid and binding obligation of the Grantee, enforceable in accordance with its terms, except to the extent that enforcement of any such terms may be limited by
- (a) Applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or
  - (b) Judicial public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce; and performance required under this Agreement; and
- (10) Grantee certifies that it is not currently operating under or subject to any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of Grantee's knowledge, that it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority. Should it become the subject of an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify the Department of any such investigation. Grantee acknowledges that should it later be subject to a cease and desist order, Memorandum of Understanding, or found in violation pursuant to any regulatory action or any court action or proceeding before any administrative agency, that the Department is authorized to declare Grantee in default of this Agreement and suspend or terminate the Agreement pursuant to Section 5.5.
- B. General Covenants In connection with the execution and delivery of this Agreement, the Grantee makes the following covenants to the Department, which are in addition to any specific covenants contained in this Agreement:
- (1) That it will use Grant Funds only for the purposes set forth in the Budget (Part I) and Scope of Work (Part II), respectively, of this Agreement;
  - (2) That all warranties and representations made by the Grantee in this Agreement shall be true, accurate and complete for the term of the Agreement;
  - (3) That it shall be subject to, obey, and adhere to any and all federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect during the term of this Agreement which may be applicable to the Grantee;
  - (4) That it shall remain solvent and able to pay its debts as they mature. In the event of bankruptcy filing by the Grantee, voluntary or involuntary, the Department may decline to make any further payment, which may otherwise be required under this Agreement;
  - (5) That it shall immediately notify the Department of any and all events or actions that may materially adversely affect its ability to carry on its operations or perform any or all of its obligations under this Agreement; and
  - (6) That it shall not enter into any other agreement or transaction that would conflict with the performance of its duties hereunder.

5.2 **APPROPRIATION; NONAPPROPRIATION/INSUFFICIENT APPROPRIATION; REDUCED FUNDING SOURCES/REVENUES**

- A. Appropriation The Grantee is hereby given actual knowledge that pursuant to the State Finance Act, 30 ILCS 105/30, payments under this grant are contingent upon the existence of a valid appropriation therefore and that no officer shall contract any indebtedness on behalf of the State, or assume to bind the State in an amount in excess of the money appropriated, unless expressly authorized by law.

- B. Non-appropriation/Insufficient Appropriation Payments pursuant to this Agreement are subject to the availability of applicable federal and/or state funding from the Department and their appropriation and authorized expenditures under State law. The Department shall use its best efforts to secure sufficient appropriations to fund this Agreement. However, the Department's obligations hereunder shall cease immediately, without penalty or further payment being required, if the Illinois General Assembly or federal funding source fails to make an appropriation sufficient to pay such obligation. The Department, at its sole discretion, shall determine whether amounts appropriated are sufficient to continue its obligations under this Agreement. Termination resulting from non-appropriation or insufficient appropriation shall be in accordance with Section 5.5(A)(1) hereof. Any grant is void by operation of law if the Department fails to obtain the requisite appropriation to pay the grant in any year in which this Agreement is in effect.
- C. Reduced Funding Sources/Revenues The Department reserves the right to reduce the amount to be paid to Grantee under this Agreement if the Department determines that it is in the best interest of the State of Illinois to reduce its obligation under this Agreement as a result of the occurrence of any of the following events during the term of the Agreement:
- (1) Receipts from revenues which provide the funding for this Agreement either fall significantly short of anticipated levels, or significantly decrease, or
  - (2) Other sources (external grants, contracts, awards, etc.) providing funds for this Agreement are decreased or withdrawn. If such an event occurs, the Department will notify the Grantee as soon as possible. If the Department and Grantee are able to agree on a reduced compensation amount and a corresponding reduced scope of services, the parties shall execute a grant modification so stating. If the Department and Grantee are unable to agree on the reduced compensation and reduced scope of services, the Department shall terminate the Grant in accordance with the provisions of Section 5.5(A)(2) herein.

### 5.3 GRANT CLOSE-OUT

- A. Final Grantee Report In addition to any other reporting requirements specified in this Agreement, the Grantee shall complete and submit a Final Grantee Report on forms provided by the Department, within forty-five (45) days of the earlier of the Grant Period end date or the effective date of termination of this Agreement. The Grantee should refer to the Welcome Package and the Reports Deliverable Schedule for the specific reporting requirements and due dates. The Grantee must report on the expenditure of Grant Funds provided by the State, and if applicable, the Grantee's required matching funds. The Grantee is responsible for taking the necessary steps to correct any deficiencies disclosed by such Final Grantee Report, including such action as the Department, based on its review of the report, may direct.
- B. Grant Refunds In accordance with the Illinois Grant Funds Recovery Act, 30 ILCS 705/1, et seq., the Grantee must, within forty-five (45) days of the earlier of the Grant Period end date or the effective date of termination of this Agreement, refund to the Department, any balance of Grant Funds not spent or not obligated as of said date.

### 5.4 DEFAULT AND REMEDIES

The occurrence of any of the following events, during the grant term, shall constitute a default:

- A. Grantee shall fail to observe or perform any covenant or agreement contained in this Agreement, including the Exhibits hereto;
- B. Any representation, warranty, certificate or statement made by the Grantee in this Agreement, including the Exhibits hereto, or in any certificate, report, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect when made in any material respect;



- C. Grantee shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
- D. An involuntary case or other proceeding shall be commenced against the Grantee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceedings shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Grantee under the federal bankruptcy laws as now or hereby after in effect;
- E. The Grantee permanently ceases the conduct of active trade or business at the location specified in Scope of Work (Part II), for any reason, including, but not limited to, fire or other casualty;
- F. Company fails to provide the Company Contribution, if applicable, as identified in Scope of Work (Part II);
- G. Grantee defaults on a loan from a third party. Grantee shall provide the Department with immediate notice upon making a determination that it will default on a loan.

Grantee shall have 30 days from the date Department notifies it of the occurrence of a default to cure the default to Department's satisfaction. Grantee's failure to cure, or to initiate a cure which is satisfactory to the Department, shall be a sufficient basis for the Department to terminate this Agreement and to direct Grantee to refund all Grant Funds disbursed to it by the Department within thirty (30) days of receipt of the notice of termination.

At the Department's discretion the Grantee shall be responsible for the payment of interest at a rate equal to twelve percent (12%) per annum for any amount of the Grant Funds which it has not refunded to the Department beginning thirty (30) days from the date the termination notice is sent by the Department and continuing to the date that all Grant Funds are refunded by Grantee or recovered through other legal processes available to the Department.

## 5.5 TERMINATION; SUSPENSION

- A. This Agreement may be terminated as follows:
  - (1) Non-appropriation, Insufficient Appropriation In the event of non-appropriation or insufficient appropriation as described in Section 5.2(B) above, Grantee shall be paid for non-cancelable, allowable expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of termination which shall be the date stated in the written termination notice provided to Grantee. The Department shall provide such notice to Grantee as soon as possible after it becomes aware of such non-appropriation or insufficient appropriation. Any refunds due the Department shall be submitted in accordance with the provisions of Section 5.3(B) hereof.
  - (2) Reduced Funding Sources/Revenues In the event the parties are unable to agree on a reduced amount of compensation and scope of services necessitated due to a reduction in revenues or other funding sources for this Agreement as described in Section 5.2(C) above, Grantee shall be paid for non-cancelable, allowable expenditures incurred in the performance of authorized services under

this Agreement prior to the effective date of termination which shall be the date stated in the written termination notice provided to Grantee. Any refunds due the Department shall be submitted in accordance with the provisions of Section 5.3(B) hereof.

For Cause If the Department determines that the Grantee has failed to comply with any of the covenants, terms, conditions or provisions of this Agreement, or any other application, proposal or grant award executed by the Department and the Grantee, including any applicable rules or regulations, or has made a false representation or warranty in connection with the receipt of the grant, the Department may terminate this Agreement in whole or in part at any time before the expiration date of this Agreement. The Department shall notify the Grantee in writing of the reasons for the termination and the effective date of the termination. Grantee shall not incur any costs after the effective date of the termination. Payments made to the Grantee or recovery by the Department shall be in accord with the legal rights and liabilities of the parties.

In the event of termination for cause, Grantee shall also be subject to any other applicable provisions specified elsewhere in this Agreement.

Termination for cause may render the Grantee ineligible for consideration for future grants from the Department for a period not to exceed two (2) years.

- (3) For Convenience The Grantee acknowledges that this grant was made by the Department based on its determination that the activities to be funded under this Agreement are in furtherance of either the Department's statutory requirements or its program objectives. The Grantee further acknowledges that the Department may unilaterally terminate this Agreement based on its good faith determination that the continued expenditure of Grant Funds under this Agreement is no longer in furtherance of said statutory requirements or program objectives. Termination for convenience shall be effective upon delivery of notice to Grantee pursuant to Section 5.10(F) hereof. The Grantee shall not incur new obligations after the effective date of the termination, and shall cancel as many outstanding obligations as possible. The Department shall allow full credit to the Grantee for properly incurred expenditures made in connection with the Grant in accordance with the provisions of Budget (Part I) and Scope of Work (Part II). Grant refunds shall be submitted in accordance with the provisions of Section 5.3(B) hereof.

- B. Suspension If the Grantee fails to comply with the specific conditions and/or general terms and conditions of this Agreement, the Department may, upon written notice to the Grantee, suspend this Agreement, withhold further payments and prohibit the Grantee from incurring additional obligations of Grant Funds, pending corrective action by the Grantee or a decision to terminate this Agreement. The Department may determine to allow such necessary and proper costs, which the Grantee could not reasonably avoid during the period of suspension provided that the Department agrees that such costs were necessary and reasonable and incurred in accordance with the provisions of this Agreement.

## 5.6 INDEMNIFICATION

- A. Non-Governmental Entities The Grantee agrees to assume all risk of loss and to indemnify and hold the State, its officers, agents and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments including costs, attorneys' and witnesses' fees, and expenses incident thereto, relating to bodily injuries to persons (including death) and for loss of, damage to, or destruction of real and/or tangible personal property (including property of the State) resulting from the negligence or misconduct of Grantee, its employees, agents, or subcontractors or subgrantees in the performance of this Agreement. Grantee shall do nothing to prejudice the State's right to recover against third parties for any loss, destruction or damage to State property and shall, at the State's request and expense, furnish to the State reasonable assistance and cooperation including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the State in obtaining recovery.

The Grantee shall, at its expense, defend the State against all claims asserted by any person that anything provided by Grantee infringes a patent, copyright, trade secret or other intellectual property right and shall, without limitation, pay the costs, damages and attorneys' fees awarded against the State in any such action, or pay any settlement of such action or claim. Each party agrees to notify the other promptly of any matters to which this provision may apply and to cooperate with each other in connection with such defense or settlement.

- B. Governmental Entities In the event that the Grantee is a Governmental Entity, it will indemnify and hold harmless the Department as set out herein to the extent authorized by Federal and/or State constitutions(s) and/or laws.

5.7 **MODIFICATION BY OPERATION OF LAW; BUDGET MODIFICATIONS; DISCRETIONARY MODIFICATIONS**

- A. Modifications by Operation of Law This Agreement is subject to such modifications as the Department determines may be required by changes in Federal or State law or regulations applicable to this Agreement. Any such required modification shall be incorporated into and become part of this Agreement as if fully set forth herein. The Department shall timely notify the Grantee of any pending implementation of or proposed amendment to such regulations of which it has notice.
- B. Budget Modifications Grantee must expend the Grant Funds in accordance with the approved budget set forth in Part I hereof. If the Grantee determines that its expenditures for the grant term will vary from the amounts listed in the approved project budget it must submit a written request for approval from the Department prior to incurring the revised costs. Said request must give the reasons for and amounts of the revisions. If the Department approves the revised expenditures, it will provide the Grantee with a revised Project Budget incorporating the revisions. Grantee's failure to obtain written approval for anticipated budget revisions is a sufficient reason for the Department to disallow any costs not included in the original project budget and require a refund from the Grantee.

The Grantee may make a line item transfer up to the allowable variance percentage/amount of the total approved line item budget as specified in Budget (Part I) without prior written approval of the Department, subject to the following conditions:

- (1) Modifications Requiring Departmental Approval If the Grantee determines that its expenditures will vary from the approved budgeted line item amounts listed in Budget (Part I) by more than the allowable variance percentage/amount for any given line item expenditure, but will not exceed the total grant award, it shall submit a written request for approval from the Department prior to incurring the revised costs. Modification requests shall give the reasons for and amounts of the revisions. If the Department approves the revised expenditures, it will provide the Grantee with a revised project Budget (Part I) incorporating the revisions. Grantee's failure to obtain written approval for anticipated budget revisions shall be deemed sufficient for the Department to disallow any costs not included in the original project budget and require a refund from the Grantee.
  - (2) Discretionary Transfers Transfers between approved line items that do not exceed the allowable variance percentage/amount of the original approved budget line item may be made at the Grantee's discretion without the Department's approval. For purposes of the allowable discretionary transfer(s), the line item to which the transfer is made cannot be increased by more than the allowable variance percentage/amount of the original approved line item. Additionally, the allowable discretionary transfer does not apply to an Audit line item (if present). Any and all modifications to an existing Audit line item may only be made with the Department's prior written approval.
- C. Discretionary Modifications If either the Department or the Grantee wishes to modify the terms of this Agreement other than as set forth in Sections 5.7(A) and 5.7(B) above, written notice of the proposed

modification must be given to the other party. Modifications will only take effect when agreed to in writing by both the Department and the Grantee. However, if the Department notifies the Grantee in writing of a proposed modification, and the Grantee fails to respond to that notification, in writing, within thirty (30) days, the proposed modification will be deemed to have been approved by the Grantee. In making an objection to the proposed modification, the Grantee shall specify the reasons for the objection and the Department shall consider those objections when evaluating whether to follow through with the proposed modification. The Department's notice to the Grantee shall contain the Grantee name, Grant number, modification number, purpose of the revision and signature of the Department's Director.

- D. Unilateral Modifications The parties agree that the Department may unilaterally modify this Agreement without prior approval of the Grantee when the modification is initiated by the Department for the sole purpose of increasing the Grantee's funding allocation as additional funds become available for the grant during the program year covered by the term of this Agreement. The parties further agree that the thirty (30) day period for objection described in Section 5.7(C) above does not apply to the unilateral modification authority described in Section 5.7(D).
- E. Management Waiver The parties agree that the Department may issue a waiver of specific requirements of this Agreement after the term of the Agreement has expired. These waivers are limited to requirements relating to the Grantee's compliance with existing audit requirements in the Agreement, retention of interest earned by the Grantee on Grant Funds, variances to budgetary line items, non-material changes to the Scope of Work (Part II), and any other non-material changes to specific grant terms that the Department determines are necessary to place the Grantee in administrative compliance with the terms of this Agreement. A management waiver issued after the term of the Agreement has expired will supersede the original requirements of this Agreement that would normally require a modification of this Agreement to be executed. The Department will make no modifications of this Agreement not agreed to prior to the expiration of the Agreement beyond what is specifically set forth in this section.
- F. Term Extensions The Grantee acknowledges that all Grant Funds must be expended or legally obligated during the grant term set forth in the Notice of Grant Award. Pursuant to the Grant Funds Recovery Act (30 ILCS 705/1 et. seq.), no grant term may be extend beyond a two-year period unless the Grant Funds are expended or legally obligated during that initial two-year period, or unless Grant Funds are disbursed in reimbursement of costs previously incurred by the grantee.

5.8 **CONFLICT OF INTEREST; INTEREST OF PUBLIC OFFICIALS/ EMPLOYEES; BONUS/COMMISSION PROHIBITED; HIRING OF STATE EMPLOYEES PROHIBITED; DUE DILIGENCE IN EXPENDITURE OF GRANT FUNDS**

- A. Conflict of Interest A conflict of interest exists if a Grantee's officers, directors, agents, employees and family members use their position for a purpose that is, or gives the appearance of, being motivated by a desire for a private gain, financial or nonfinancial, for themselves or others, particularly those with whom they have family business or other ties. The Grantee must establish safeguards to prohibit such a conflict of interest from occurring. Safeguards, evidenced by rules or bylaws, shall also be established to prohibit persons from engaging in actions, which create or which appear to create a conflict of interest as described herein.

The Grantee must immediately notify the Department in writing of any actual or potential conflicts of interest, as well as any actions that create or which appear to create a conflict of interest.

- B. Interest of Public Officials/Employees

- (1) Governmental Entity If the Grantee is a governmental entity, the Grantee certifies that no conflict of interest as defined in Section 5.8A exists. Further, Grantee certifies that no officer or employee of the Grantee and no member of its governing body and no other public official of the locality in which the program objectives will be carried out who exercises any functions or responsibilities in

the review or approval of the undertaking or carrying out of such objectives shall participate in any decision relating to any contract negotiated under a program grant which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or has any financial interest, direct or indirect, in such contract or in the work to be performed under such contract.

- (2) Nongovernmental Entity If the Grantee is a nongovernmental entity, the Grantee certifies that no conflict of interest as defined in Section 5.8A exists. If such a conflict or appearance thereof exists or arises, the Grantee must provide immediate notification to the Department as provided in Section 5.8A. The Department may, in its discretion, issue Grant Funds if it determines that appropriate safeguards are in place and that it is in the best interest of the State to proceed.

Violations of Section 5.8 may result in suspension or termination of this Agreement, and recovery of Grant Funds provided hereunder. Violators may also be criminally liable under other applicable State or Federal laws and subject to actions up to and including felony prosecution.

- C. Bonus or Commission Prohibited The Grantee shall not pay any bonus or commission for the purpose of obtaining the grant awarded under this Agreement.
- D. Hiring State Employees Prohibited No State officer or employee may be hired to perform services under this Agreement, or be paid with Grant Funds derived directly or indirectly through this grant without the written approval of the Department.

## 5.9 APPLICABLE STATUTES

- A. Grantee Responsibility All applicable Federal, State and local laws, rules and regulations governing the performance required by Grantee shall apply to this Agreement and will be deemed to be included in this Agreement the same as though written herein in full. Grantee is responsible for ensuring compliance with all applicable laws, rules and regulations, including, but not limited to those specifically referenced herein. Except where expressly required by applicable laws and regulations, the Department shall not be responsible for monitoring Grantee's compliance.
- B. Land Trust/Beneficial Interest Disclosure Act (765 ILCS 405/2.1) No grant award Grant Funds shall be paid to any trustee of a land trust, or any beneficiary or beneficiaries of a land trust, for any purpose relating to the land, which is the subject of such trust, any interest in such land, improvements to such land or use of such land unless an affidavit is first filed with the Department identifying each beneficiary of the land trust by name and address and defining such interest therein.
- C. Historic Preservation Act (20 ILCS 3420/1 et seq.) The Grantee will not expend Grant Funds under this Agreement which result in the destruction, alteration, renovation, transfer or sale, or utilization of a historic property, structure or structures, or in the introduction of visual, audible or atmospheric elements to a historic property, structure or structures, which will result in the change in the character or use of any historic property, except as approved by the Illinois Historic Preservation Agency.
- D. State of Illinois Discrimination Laws (775 ILCS 5/1-101 et seq.) In carrying out the performance required under this Agreement, the Grantee shall comply with all applicable provisions of the Illinois Human Rights Act, and rules and regulations promulgated by the Illinois Department of Human Rights, prohibiting unlawful discrimination in employment. Grantee's failure to comply with all applicable provisions of the Illinois Human Rights Act, or applicable rules and regulations promulgated thereunder, may result in a determination that Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.
- E. Drugfree Workplace Act (30 ILCS 580/1 et seq.) Grantee will make the certification required in this Agreement and will comply with all of the provisions of the Drugfree Workplace Act that are

applicable to the Grantee. False certification or violation of the requirements of the Drugfree Workplace Act may result in sanctions including, but not limited to, suspension of grant payments, termination of this Agreement and debarment of contracting or grant opportunities with the State for at least one (1) year but not more than five (5) years.

- F. Freedom of Information Act (5 ILCS 140/1 et seq.) Applications, programmatic reports and other information obtained by the Department under this Agreement shall be administered pursuant to the Freedom of Information Act.
- G. Prevailing Wage Act (820 ILCS 130/0.01 et seq.) All projects for the construction of fixed works which are financed in whole or in part with Grant Funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01) unless the provisions of that Act exempt its application. In the construction of the project, the Grantee shall comply with the requirements of the Prevailing Wage Act, including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.
- H. Victims Economic Security and Safety Act (820 ILCS 180 et seq.) If the Grantee has 50 or more employees, it may not discharge or discriminate against an employee who is a victim of domestic violence, or who has a family or household member who is a victim of domestic violence, for taking up to a total of twelve (12) work weeks of leave from work during any twelve month period to address the domestic violence, pursuant to the Victims Economic Security and Safety Act. The Grantee is not required to provide paid leave under the Victims Economic Security and Safety Act, but may not suspend group health plan benefits during the leave period. Any failure on behalf of the Grantee to comply with all applicable provisions of the Victims Economic Security and Safety Act, or applicable rules and regulations promulgated thereunder, may result in a determination that the Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by Statute or regulation.
- I. Equal Pay Act of 2003 (820 ILCS 112 et seq.) If the Grantee has four or more employees, it is prohibited by the Equal Pay Act of 2003 from paying unequal wages to men and women for doing the same or substantially similar work. Further, the Grantee is prohibited by the Equal Pay Act of 2003 from remedying violations of the Act by reducing the wages of other employees or discriminating against any employee exercising his/her rights under this Act. Any failure on behalf of the Grantee to comply with all applicable provisions of the Equal Pay Act of 2003, or applicable rules and regulations promulgated thereunder, may result in a determination that the Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked, as provided by Statute or regulation.
- J. Steel Products Procurement Act (30 ILCS 565 et seq.) The grantee, if applicable, hereby certifies that any steel products used or supplied in accordance with this grant for a public works project shall be manufactured or produced in the United States per the requirements of the Steel Products Procurement Act (30 ILCS 565 et seq.).
- K. Use of Illinois Labor for Public Works Projects (20 ILCS 605/605-390; 30 ILCS 570/0.01) The Grantee shall provide the Department with documentation certifying that at least fifty percent (50%) of the total labor hours performed to complete the project described in Scope of Work (Part II) were performed by actual residents of the State of Illinois, in those cases where the project meets the statutory definition of a state construction project in 20 ILCS 605/605-390. In periods of excessive unemployment the Grantee shall also provide the Department with documentation certifying that it has caused to be employed at least ninety percent (90%) Illinois laborers on the project described in Scope

of Work (Part II), in those cases where the project meets the statutory definition of a public works project or improvement in 30 ILCS 570/0.01 et seq.

- L. Minorities, Females, and Persons with Disabilities Act and Illinois Human Rights Act (30 ILCS 575/0.01; 775 ILCS 5/2-105) The Grantee acknowledges and hereby certifies compliance with the provisions of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, and the equal employment practices of Section 2-105 of the Illinois Human Rights Act for the provision of services which are directly related to the Scope of Work to be performed under this Agreement.
- M. Identity Protection Act (5 ILCS/179 et. seq.) and Personal Information Protection Act (815 ILCS 530 et. seq.) The Department of Commerce and Economic Opportunity (DCEO) is committed to protecting the privacy of its vendors, grantees and beneficiaries of programs and services. At times, DCEO will request social security numbers or other personal identifying information. Federal and state laws, rules and regulations require the collection of this information for certain purposes relating to employment and/or payments for goods and services, including, but not limited to, grants. DCEO also collects confidential information for oversight and monitoring purposes.

Furnishing personal identity information, such as a social security number, is voluntary; however, failure to provide required personal identity information may prevent an individual or organization from using the services/benefits provided by DCEO as a result of state or federal laws, rules and regulations.

#### 5.10 MISCELLANEOUS PROVISIONS

- A. Independence of Grantee Personnel All technical, clerical, and other personnel necessary for the performance required by this Agreement shall be employed by or contracted with Grantee, and shall in all respects be subject to the rules and regulations of Grantee governing its employees. Neither Grantee nor its personnel shall be considered to be the agents or employees of the Department.
- B. Grantor Authority The Department and its payroll employees, when acting pursuant to this Agreement, are acting as State officials in their official capacity and not personally or as the agents of others.
- C. Governing Law This Grant is awarded in the State of Illinois for execution within the State of Illinois. This Agreement shall be governed by and construed according to Illinois law.
- D. Worker's Compensation Insurance, Social Security, Retirement and Health Insurance Benefits, and Taxes The Grantee shall provide Worker's Compensation insurance where the same is required and shall accept full responsibility for the payment of unemployment insurance, premiums for Workers' Compensation, Social Security and retirement and health insurance benefits, as well as all income tax deduction and any other taxes or payroll deductions required by law for its employees who are performing services specified by this Agreement.
- E. Delivery of Grantee Payments Payment to the Grantee under this Agreement shall be made payable in the name of the Grantee and sent to the person and place specified in the Notice of Grant Award. The Grantee may change the person to whom payments are sent, or the place to which payments are sent by written notice to the Department signed by the Grantee, that complies with the requirements of Section 5.10(F) below. No such change or payment notice shall be binding upon the Department until ten (10) business days after actual receipt.
- F. Notice Any notice, demand, or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth in the Notice of Grant Award by any of the following means: (a) personal service, (b) electronic communication, whether by telex, telegram or telecopy, (c) overnight courier, or (d) registered or certified first class mail, postage prepaid, return receipt requested. Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means,

respectively. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received five (5) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

The Grantee acknowledges and agrees that its address set forth in the Notice of Grant Award is its current address and shall be considered its last known address for purposes of receiving any and all notice(s) required under this Agreement. The Grantee further acknowledges and agrees that the Department is justified in relying upon the address information furnished to it by the Grantee in absence of notice to the contrary. The Grantee also acknowledges and agrees that it has the burden of notifying the Department of its current/last known address. In the event that the Grantee changes its current address, it shall contact its Program Manager and notify him/her of said change of address and a formal modification will be executed.

- G. Required Notice Grantee agrees to give prompt notice to the Department of any event that may materially affect the performance required under this Agreement. Any notice or approval relating to Section 5.5 (Termination), Section 5.7C (Discretionary Modifications), Section 5.7E (Waivers), and Section 5.10I (Assignment) must be executed by the Director of the Department or her/his authorized designee.
- H. Modifications A modification of any condition of this Agreement must be requested in writing. No modification of any condition of this Agreement may be effective unless in writing from and signed by the Director of the Department.
- I. Assignment The benefits of this Agreement and the rights, duties and responsibilities of the Grantee under this Agreement may not be assigned (in whole or in part) except with the express written approval of the Department acting through its Director. Any assignment by the Grantee in violation of this provision renders this Agreement voidable by the Department.
- J. Severability Clause If any provision under this Agreement or its application to any person or circumstances is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or its application of this Agreement, which can be given effect without the invalid provision or application.
- K. Integration Clause This Agreement, with attachments, as written, is the full and complete agreement between the parties and there are no oral agreements or understandings between the parties other than what has been reduced to writing herein.
- L. Comptroller Filing Notice The Grantee expressly understands that whenever applicable, a copy of this Agreement and any modification, cancellation or renewal is required to be filed by the Department with the State Comptroller.
- M. Subcontract and Grants The Grantee's services, duties and responsibilities specified herein shall not be subcontracted or subgranted by the Grantee without prior written approval of the Department, unless such subcontracts or subgrants are provided for elsewhere in this Agreement. Any subcontracts or subgrants shall be subject to, and conform with, all applicable State and Federal laws, and shall specifically provide that subcontractors or subgrantees are subject to all of the terms and conditions of this Agreement. For the Department to approve the use of any subcontract or subgrant, the Grantee must employ an open, impartial and reasonably competitive selection process.
- N. Attorney Fees and Costs If the Department is the prevailing party in any proceeding to enforce the terms of this Agreement, the Department has the right to recover reasonable attorney fees, costs and expenses associated with recovering the Grant Funds.



**PART VI  
STATE OF ILLINOIS REQUIRED  
CERTIFICATIONS**

The Grantee makes the following certifications as a condition of this Agreement. These certifications are required by State statute and are in addition to any certifications required by any Federal funding source as set forth in this Agreement. Grantee's execution of this Agreement shall serve as its attestation that the certifications made herein are true and correct.

**6.1 COMPLIANCE WITH APPLICABLE LAW**

The Grantee certifies that it shall comply with all applicable provisions of Federal, State and local law in the performance of its obligations pursuant to this Agreement.

**6.2 CONFLICT OF INTEREST**

The Grantee certifies that it has no public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest which does or may conflict in any manner with the performance of Grantee's services and obligations under this Agreement.

**6.3 BID-RIGGING/BID-ROTATING**

The Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33 E-3 and 5/33 E-4).

**6.4 DEFAULT ON EDUCATIONAL LOAN**

The Grantee certifies that this Agreement is not in violation of the Educational Loan Default Act (5 ILCS 385/3) prohibiting certain contracts to individuals who are in default on an educational loan.

**6.5 AMERICANS WITH DISABILITIES ACT**

The Americans with Disabilities Act (ADA) (42 U.S.C. 12101 et. seq.) and the regulations thereunder (28 CFR 35.130) prohibit discrimination against persons with disabilities by the State, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving this grant, the Grantee certifies that services, programs and activities provided under this Agreement are, and will continue to be, in compliance with the ADA.

**6.6 DRUGFREE WORKPLACE ACT**

The Grantee certifies that:

- A)  It is a Corporation, Partnership, or other entity (other than an individual) with 24 or fewer employees at the time of execution of this Agreement.
- B)  That the purpose of this grant is to fund solid waste reduction.
- C)  It is a Corporation, Partnership, or other entity (other than an individual) with 25 or more employees at the time of execution of this Agreement, or
- D)  That it is an individual.

If Option "A" or "B" is checked this Agreement is not subject to the requirements of the Act.

If Option "C" or "D" is checked and the amount of this grant is five thousand dollars (\$5,000.00) or more, the Grantee is notified that the Drugfree Workplace Act (30 ILCS 580/1 et seq.) is applicable to this Agreement, and the Grantee must comply with the terms of said Act, as set forth below:

Grantee will provide a drugfree workplace by:

- (a) Publishing a statement:
  - (i) Notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the Grantee's workplace.
  - (ii) Specifying the actions that will be taken against employees for violations of such prohibition.
  - (iii) Notifying the employee that, as a condition of employment on such grant, the employee will:
    - (A) abide by the terms of the statement; and
    - (B) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- (b) Establishing a drug free awareness program to inform employees about:
  - (i) the dangers of drug abuse in the workplace;
  - (ii) the Grantee's policy of maintaining a drug free workplace;
  - (iii) any available drug counseling, rehabilitation and employee assistance programs; and
  - (iv) the penalties that may be imposed upon an employee for drug violations.
- (c) Providing a copy of the statement required by subparagraph (a) to each employee engaged in the performance of the grant and to post the statement in a prominent place in the workplace.
- (d) Notifying the granting agency within ten (10) days after receiving notice, under part (B) of paragraph (iii) of subsection (a) above, from an employee or otherwise receiving actual notice of such conviction.
- (e) Imposing a sanction on, or requiring the satisfactory participation in, a drug abuse assistance or rehabilitation program by any employee who is so convicted, as required by Section 5 of the Drugfree Workplace Act, 30 ILCS 580/5.
- (f) Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation are required and indicating that a trained referral team is in place.
- (g) Making a good faith effort to continue to maintain a drugfree workplace through implementation of the Drugfree Workplace Act, 30 ILCS 580/5.

If Grantee is an individual, it certifies that it will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of this Agreement.

#### **6.7 ANTI-BRIBERY**

The Grantee certifies that neither it nor its employees have been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois, nor has Grantee or any of its employees made an admission

of guilt of such conduct which is a matter of record as defined in the Illinois Procurement Code (30 ILCS 500/50-5).

**6.8 DISCRIMINATION/ILLINOIS HUMAN RIGHTS ACT**

The Grantee certifies (i) that it will not commit unlawful discrimination in employment in Illinois as that term is defined in Article 2 of said Act; (ii) that it will comply with the provisions of Article 5 of the Act regarding equal employment opportunities and affirmative action; and, (iii) that it will comply with policies and procedures established by the Department of Human Rights under Article 7 of the Act regarding equal employment opportunities and affirmative action.

The Grantee further certifies that, if applicable, it will comply with "An Act to prohibit discrimination and intimidation on account of race, creed, color, sex, religion, physical or mental handicap unrelated to ability or national origin in employment under contracts for public buildings or public works." (775 ILCS 10/0.01 et seq.)

**6.9 SEXUAL HARASSMENT**

The Grantee certifies that it has written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the Grantee's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the Department and Commission; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act (775 ILCS 5/2-105 (B)(5)). A copy of the policies shall be provided to the Department upon request.

**6.10 INTERNATIONAL ANTI-BOYCOTT CERTIFICATION**

The Grantee hereby certifies that neither the Grantee nor any substantially owned affiliate company of the Grantee is participating or will participate in an international boycott, as defined by the provisions of the U.S. Export Administration Act of 1979, or as defined by the regulations of the U.S. Department of Commerce, promulgated pursuant to that Act (30 ILCS 582/1 et seq.).

**6.11 FEDERAL, STATE AND LOCAL LAWS; TAX LIABILITIES; STATE AGENCY DELINQUENCIES**

The Grantee is required to comply with all federal, state and local laws, including but not limited to the filing of any and all applicable tax returns. In the event that a Grantee is delinquent in filing and/or paying any federal, state and/or local taxes, the Department shall disburse Grant Funds only if the Grantee enters into an installment payment agreement with said tax authority and remains in good standing therewith. Grantee is required to tender a copy of any such installment payment agreement to the Department. In no event may Grantee utilize Grant Funds to discharge outstanding tax liabilities or other debts owed to any governmental unit. **The execution of this Agreement by the Grantee is its certification that (i) it is current as to the filing and payment of any federal, state and/or local taxes applicable to Grantee; and (ii) it is not delinquent in its payment of moneys owed to any federal, state, or local unit of government.**

**6.12 PROHIBITION OF GOODS DERIVED FROM CHILD LABOR**

The Grantee certifies, in accordance with Public Act 94-0264, that no foreign-made equipment, materials, or supplies furnished to the State in connection with this Agreement have been produced in whole or in part by the labor of any child under the age of 12.

**6.13 PREVAILING WAGE**

The Grantee acknowledges that receipt of Grant Funds under this Agreement require compliance with the Prevailing Wage Act (820 ILCS 130 et. seq. ). Persons willfully failing to comply with, or willfully violating this Act may be in violation of the Criminal Code. Questions concerning compliance with the Prevailing Wage Act should be directed to the Illinois Department of Labor.

**6.14 LIEN WAIVERS**

The Grantee shall monitor construction to assure that necessary contractor's affidavits and waivers of mechanics liens are obtained prior to release of Grant Funds to contractors and subcontractors.

**6.15 INTERAGENCY WETLAND POLICY ACT**

The Grantee certifies that the proposed project is compatible with established state policy regarding wetlands, pursuant to the Interagency Wetland Policy Act of 1989. The Grantee acknowledges that the Illinois Department of Natural Resources may, from time to time, monitor the proposed project to ensure continued compliance with the aforementioned Act. In the event that the project does not remain in compliance with the Act, such noncompliance shall constitute a breach of the Agreement, and failure to cure the breach within sixty (60) days after notice thereof will result in the termination of this Agreement.