
CITY OF SUSANVILLE
66 North Lassen Street ♦ Susanville CA
Kevin Stafford, Mayor
Joseph Franco, Mayor pro tem
Brian Moore * Mendy Schuster * Brian R. Wilson

SUSANVILLE COMMUNITY DEVELOPMENT AGENCY SUSANVILLE MUNICIPAL ENERGY CORPORATION
SUSANVILLE PUBLIC FINANCING AUTHORITY

Susanville City Council
Regular Meeting ♦ City Council Chambers
August 7, 2019 – 6:00 p.m.

Call meeting to order

Roll call of Councilmembers present

Next Resolution No. 19-5686

Next Ordinance No. 19-1018

1 APPROVAL OF AGENDA: (Additions and/or Deletions)

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS (if any): Any person may address the Council at this time upon any subject for discussion during Closed Session.

3 CLOSED SESSION:

A Threat to Public Services – Government Code section §54957 – Consultation with:
Susanville Police Chief

4 RETURN TO OPEN SESSION: (recess if necessary)

- *Reconvene in open session at 7:00 p.m.*
- *Pledge of allegiance*
- *Report any changes to agenda*
- *Report any action out of Closed Session*
- *Moment of Silence or Thought for the Day: Dan Newton*
- *Proclamations, awards or presentations by the City Council:*

5 BUSINESS FROM THE FLOOR:

Any person may address the Council at this time upon any subject on the agenda or not on the agenda within the jurisdiction of the City Council. However, comments on items on the agenda may be reserved until the item is discussed and any matter not on the agenda that requires action will be referred to staff for a report and action at a subsequent meeting. Presentations are subject to a five minute limit

6 CONSENT CALENDAR: No business.

7 PUBLIC HEARINGS: No business.

8 COUNCIL DISCUSSION/ANNOUNCEMENTS:

Commission/Committee Reports:

9 NEW BUSINESS:

A Adopt **Resolution No. 19-5679**, authorizing the City Administrator to sign an Agreement for Professional Services for Material Testing Services with Pavement Engineering Inc. (PEI), for a cost Not to Exceed \$ 36,000.00

- B Consider **Resolution No. 19-5680**, approving amended HOME and CDBG Program Guidelines
- C Consider **Resolution No. 19-5681**, authorizing Water and Natural Gas bond refinancing
- D Discussion regarding the replacement of the Police Record Management System
- E Consider **Resolution No. 19-5682**, authorizing award of Project No. 18-03, Cady Springs Pump Station Rebid, to RaPiD Construction Inc.
- F Consider **Resolution No. 19-5683**, Labor Compliance Program
- G Sale of Surplus City Vehicles and Equipment
- H Consider **Resolution No. 19-5685**, Police Department Vehicle Purchase
- I Consider Purchase of Hangar #24 at the Susanville Municipal Airport

10 SUSANVILLE COMMUNITY DEVELOPMENT AGENCY: No business.

11 SUSANVILLE MUNICIPAL ENERGY CORPORATION: No business.

12 CONTINUING BUSINESS:

- A Consider amendment to the School Resource Officer Agreement

13 CITY ADMINISTRATOR'S REPORTS:

- A Evaluation of Body Worn Cameras

14 COUNCIL ITEMS:

- A AB1234 travel reports:

15 ADJOURNMENT:

- *The next regular meeting of the Susanville City Council will be held on August 21, 2019 at 6:00 p.m.*

Reports and documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours and at the meeting. These reports and documents are also available at the City's website www.cityofsusanville.org, unless there were systems problems posting to the website.

Accessibility: An interpreter for the hearing-impaired may be made available upon request to the City Clerk seventy-two hours prior to a meeting. A reader for the vision-impaired for purposes of reviewing the agenda may be made available upon request to the City Clerk. The location of this meeting is wheelchair-accessible.

I, Heidi Whitlock, certify that I caused to be posted notice of the regular meeting scheduled for August 7, 2019 in the areas designated on August 1, 2019.


 Heidi Whitlock, Assistant to the City Administrator

Reviewed by:  City Administrator

AGENDA ITEM NO. 9A

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Daniel Gibbs, City Engineer

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Adopt **Resolution No. 19-5679**, authorizing the City Administrator to sign an Agreement for Professional Services for Material Testing Services with Pavement Engineering Inc. (PEI), for a cost Not to Exceed \$ 36,000.00.

PRESENTED BY: Dan Newton, Public Works Director

SUMMARY: On June 5th, 2019 City Council awarded the 2012 Susanville STIP Projects 'SC4' and 'SC5' to Dig-It Construction of Chester, CA. The City requires assistance with material testing and related technical services as part of the project construction management duties and quality control program.

Staff prepared a Request for Quotes (RFQ), issued in June and approached firms, including local, and building exchanges that normally advertise to serve this area with qualified labs. Labs are required to be Caltrans certified and be able to perform all of the necessary testing of materials associated with the City's overlay projects. Only one quote was received with the summary of the results for that firm listed below:

<u>Company</u>	<u>Not to Exceed Fee</u>
Pavement Engineering Inc., Redding CA	\$ 36,000.00

The proposal was reviewed within the Public Works Department and evaluated for experience, availability and reasonable costs. A review, based on the published selection criteria and response, was performed finding PEI's proposal the most appropriate for the services requested. PEI has been deemed qualified to complete the work, has extensive experience with Caltrans project, worked with the City on previous projects with excellent performance and contains the proper experience, presenting good references and is ready to commence with work immediately after execution of the contract.

Their proposed Not to Exceed (NTE) cost is \$36,000.00 with individual services to be authorized and controlled on a task ordered basis with time and materials expenses as the method in determining costs. Staff is recommending that the agreement be signed with a cost of Not to Exceed for \$36,000 to cover the costs for testing on the roads that are part of the STIP overlay projects including any additive sections as the project budgets allow for. Any additional costs will be brought before Council for subsequent approval.

FISCAL IMPACT: Funding for this project comes from the State Transportation Improvement Program (STIP). No local funds will be used for this project. In-house costs for construction engineering and inspection will be reimbursed by the project. Council approved the construction engineering component of the project previously at the time of project award. The cost proposal submitted covers material testing for both projects, 'SC4' & 'SC5'.

ACTION REQUESTED: Adopt Resolution No. 19-5679, authorizing the Mayor to sign an Agreement for Professional Services for Material Testing Services with Pavement Engineering Inc., for a Not to Exceed fee of \$36,000.00.

ATTACHMENTS: Resolution No.19-5679
Professional Services Agreement from PAVEMENT ENGINEERING INC.

RESOLUTION NUMBER 19-5679
A RESOLUTION OF THE COUNCIL OF THE CITY OF SUSANVILLE AUTHORIZING
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH
PAVEMENT ENGINEERING INC. FOR MATERIAL TESTING AND RELATED
SERVICES FOR THE STIP PROJECTS 'SC4' AND 'SC5'

WHEREAS, the City of Susanville has been allocated funding, in the amount of \$955,000, and \$956,000 respectively through the State Transportation Improvement Program (STIP) to complete the paving of certain streets within the City of Susanville; and

WHEREAS, the technical nature of portions of the work required for the testing of materials relative to the proper supply and quality of construction materials to facilitate required installation of said materials, is outside of the expertise of City staff; and

WHEREAS, the City has followed the appropriate procurement procedures identified in the latest released edition of the Caltrans Local Assistance Procedures Manual (LAPM) to solicit and evaluate proposals submitted from consultants where valued at less \$150,000; and

WHEREAS, the allocated funding from said two projects is sufficient to compensate Pavement Engineering for their services as a professional firm to provide material testing and quality control services; and

WHEREAS, Pavement Engineering Inc. was determined to be the most appropriate and reasonable for the services required, has been deemed qualified and competent to perform the work with a proposed price not to exceed in the amount of \$36,000.00.

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Susanville authorizes the City Administrator to execute an Agreement with Pavement Engineering Inc. for material testing and quality control services for Pavement Engineering Inc. of Redding, California in the not to exceed amount of \$36,000.00 as part of the construction phase of the STIP Projects 'SC4' and 'SC5' for pavement overlay known as Project(s) 18-01 and 18-02 on various streets within the City of Susanville.

Dated: August 7, 2019

APPROVED: _____
Kevin Stafford, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing resolution 19-5679 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of August, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

ATTEST:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

CITY OF SUSANVILLE

CONSULTANT AGREEMENT WITH:

**PAVEMENT ENGINEERING, INC.
IN REDDING CALIFORNIA**

FOR THE:

**STIP PROJECTS 'SC4' and 'SC5'
PAVEMENT OVERLAY AND ADA FACILITIES**



ADMINISTRATING AGENT:

**CITY OF SUSANVILLE
66 NORTH LASSEN STREET
SUSANVILLE, CA 96130**

AUGUST 2019

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ARTICLE I - INTRODUCTION

- A. This contract is between the following named, hereinafter referred to as, CONSULTANT and the following named, hereinafter referred to as, LOCAL AGENCY:

The name of the "CONSULTANT" is as follows:

PAVEMENT ENGINEERING INC.

The Project Manager for the "CONSULTANT" will be:

WILLIAM J. LONG, SENIOR PRINCIPAL ENGINEER

The name of the "LOCAL AGENCY" is as follows:

CITY OF SUSANVILLE, Public Works Department

The Contract Administrator for LOCAL AGENCY will be:

DANIEL GIBBS, CITY ENGINEER.

- B. The work to be performed under this contract is described in Article II entitled Statement of Work and the original CONSULTANT'S Cost Proposal submitted on June 24, 2019 and then approved as of August 7, 2019. The approved CONSULTANT'S Cost Proposal is attached hereto (Attachment I) and incorporated by reference. If there is any conflict between the approved Cost Proposal and this contract, this contract shall take precedence.
- C. The CONSULTANT agrees to indemnify and hold harmless LOCAL AGENCY, its officers, agents, and employees from any and all claims, demands, costs, or liability arising from or connected with the services provided hereunder due to negligent acts, errors, or omissions of the CONSULTANT. The CONSULTANT will reimburse LOCAL AGENCY for any expenditure, including reasonable attorney fees, incurred by LOCAL AGENCY in defending against claims ultimately determined to be due to negligent acts, errors, or omissions of the CONSULTANT.
- D. CONSULTANT and the agents and employees of CONSULTANT, in the performance of this contract, shall act in an independent capacity and not as officers or employees or agents of LOCAL AGENCY.
- E. LOCAL AGENCY may terminate this contract with CONSULTANT should CONSULTANT fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, LOCAL AGENCY may proceed with the work in any manner deemed proper by LOCAL AGENCY. If LOCAL AGENCY terminates this contract with CONSULTANT, LOCAL AGENCY shall pay CONSULTANT the sum due to CONSULTANT under this contract prior to termination, unless the cost of completion to LOCAL AGENCY exceeds the funds remaining in the contract. In which case the overage shall be deducted from any sum due CONSULTANT under this contract and the balance, if any, shall be paid to CONSULTANT upon demand.
- F. Without the written consent of LOCAL AGENCY, this contract is not assignable by CONSULTANT either in whole or in part.
- G. No alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the parties hereto; and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.
- H. The consideration to be paid to CONSULTANT as provided herein, shall be in compensation for all of CONSULTANT'S expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

ARTICLE II - STATEMENT OF WORK

- A. Consultant Services

CONSULTANT to provide on-site materials testing and associated quality control services for the STIP funded pavement overlay and ADA facilities project at various locations within the City of Susanville identified as Project Nos. 18-01 'SC4' and 18-02 'SC5' at the costs provided in the Cost Proposal (Attachment I). The field sampling, observations, inspection, field and laboratory testing and any other related activities for providing material testing of asphalt, base rock, native soils and other related material for the purpose of maintaining adequate quality control in conformance with relevant State and

accepted industry standards during the course of construction as outlined in the Request for Quotes (RFQ) and project specifications (Attachment II).

CONSULTANT will also be required to provide preliminary engineering work to determine quantities for the project completion. CONSULTANT will be responsible for communicating and coordinating with all affected regulatory agencies, as applicable, in order to facilitate completion as dictated during the preparation of the work.

The CONSULTANT shall complete all tasks and deliverables addressed in the RFP (Attachment II) and the Scope of Work provided by consultant (Attachment III). The CONSULTANT shall work diligently to adhere to project schedule (Attachment IV).

LOCATION

The services shall be provided at various locations within the City of Susanville. The CONSULTANT shall report to the City Engineer or his designee:

Daniel Gibbs, P.E.
Department of Public Works
720 South Street
Susanville, CA 96130
Phone: (530) 257-1050
Facsimile: (530) 257-1057
dgibbs@cityofsusanville.org

COORDINATION

The CONSULTANT shall coordinate with the City Engineer, Project Resident Engineer, other City personnel and Contractor as directed or considered a requirement of the work by the City. CONSULTANT shall report to the City Engineer or his designee. The CONSULTANT'S personnel shall work necessary hours to accommodate the project construction schedule.

B. Local Agency Obligations

LOCAL AGENCY is responsible for performing all work necessary for identifying the location, size, material, contents, etc. of underground and overhead utilities present within the project limits and providing said information to the CONSULTANT. In the event that utility conflicts are unavoidable, LOCAL AGENCY shall perform all work necessary to coordinate utility relocations including but not limited to positive location identification, utility conflict mapping, etc. CONSULTANT shall not be liable for delays to the project schedule associated with LOCAL AGENCY delays in providing said information to the CONSULTANT. CONSULTANT shall not be held liable for problems arising due to faulty, incorrect, or missing utility information during construction activities.

LOCAL AGENCY is responsible for preparation of the Right-of-Way certification in conformance with the Caltrans Local Agency Procedures Manual. CONSULTANT shall not be held liable for delays to the project schedule associated with LOCAL AGENCY delays in the preparation of the Right-of-Way certification.

All data applicable to the project and in possession of LOCAL AGENCY or another agency, or government that are to be made available to CONSULTANT are referred to in the contract. Any other assistance or services to be furnished to CONSULTANT are to be stated clearly.

C. Conferences, Visits to Site, Inspection of Work

The contract provides for conferences as needed, visits to the site, and inspection of the work by representatives of the state, or FHWA. Costs incurred by CONSULTANT for meetings, subsequent to the initial meeting shall be included in the fee.

D. Documentation

Contracts where appropriate, shall provide that CONSULTANT document the results of the work to the satisfaction of LOCAL AGENCY, and if applicable, the State and FHWA. This may include preparation of progress and final reports, plans, specifications and estimates, or similar evidence of attainment of the contract objectives.

ARTICLE III - CONSULTANT'S REPORTS OR MEETINGS

- A. CONSULTANT shall submit progress reports at least once a month. The report should be sufficiently detailed for the Contract Administrator to determine, if CONSULTANT is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.
- B. CONSULTANT'S Project Manager shall meet with LOCAL AGENCY'S Contract Administrator, as needed, to discuss progress on the contract.

ARTICLE IV - PERFORMANCE PERIOD

- A. This contract shall go into effect on or about August 12, 2019, contingent upon approval by LOCAL AGENCY, and CONSULTANT shall commence work after notification to proceed by LOCAL AGENCY'S Contract Administrator. The contract shall end on or December 30, 2019, unless extended by contract amendment.
- B. CONSULTANT is advised that any recommendation for contract award is not binding on LOCAL AGENCY until the contract is fully executed and approved by LOCAL AGENCY.

ARTICLE V - ALLOWABLE COSTS AND PAYMENTS

- A. The method of payment for this contract will be based on the schedule of costs indicated in CONSULTANTS COST PROPOSAL (Attachment I). The CONSULTANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved CONSULTANT'S Cost Proposal, unless additional reimbursement is provided for by contract amendment. In the event, that the LOCAL AGENCY determines that a change to the work from that specified in the Cost Proposal and contract is required, the contract time and/or actual costs reimbursable by the LOCAL AGENCY shall be adjusted by contract amendment to accommodate the changed work. The maximum total cost as specified in Paragraph "H" shall not be exceeded, unless authorized by contract amendment.
- B. Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal.
- E. Progress payments will be made monthly in arrears based on services provided and allowable incurred costs, upon approval by the LOCAL AGENCY of CONSULTANT'S invoice. If CONSULTANT fails to submit the required deliverable items according to the schedule set forth in the Statement of Work, LOCAL AGENCY shall have the right to delay payment or terminate this Contract in accordance with the provisions of Article VI Termination.
- F. No payment will be made prior to approval of any work, nor for any work performed prior to approval of this contract.
- G. CONSULTANT will be reimbursed, as promptly as fiscal procedures will permit, but no more than 30 days, after receipt by LOCAL AGENCY'S Contract Administrator of itemized invoices in triplicate. Invoices shall be submitted no later than 45 calendar days after the performance of work for which CONSULTANT is billing. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this contract number and project title. Final invoice must contain the final cost and all credits due LOCAL AGENCY including any equipment purchased under the provisions of Article XVI Equipment Purchase of this contract. The final invoice should be submitted within 60 calendar days after completion of CONSULTANT'S work. Invoices shall be mailed to LOCAL AGENCY'S Contract Administrator at the following address:

Daniel Gibbs, P.E. City Engineer
City of Susanville, Department of Public Works
720 South Street, Susanville, CA 96130
Phone: (530) 257-1050, Facsimile: (530) 257-1057
dgibbs@cityofsusanville.org

- H. The total amount payable by LOCAL AGENCY shall not exceed **\$36,000.00** and be compensation for all services identified in the Request for Quotes dated June 2019 and project plans and specifications.
- I. Salary increases will be reimbursable if the new salary is within the salary range identified in the approved Cost Proposal and is approved by LOCAL AGENCY'S Contract Administrator. For personnel subject to prevailing wage rates as described in the California Labor Code, all salary increases, which are the direct result of changes in the prevailing wage rates are reimbursable.
- J. All subcontracts in excess of \$25,000 shall contain the above provisions.

ARTICLE VI - TERMINATION

- A. LOCAL AGENCY reserves the right to terminate this contract upon thirty (30) calendar days written notice to CONSULTANT with the reasons for termination stated in the notice.
- B. The maximum amount for which the Government shall be liable if this contract is terminated will be determined by the amount of work completed prior to the termination date.

ARTICLE VII - FUNDING REQUIREMENTS

Not Applicable

ARTICLE VIII - CHANGE IN TERMS

- A. This contract may be amended or modified only by mutual written agreement of the parties.
- B. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by LOCAL AGENCY'S Contract Administrator.
- C. There shall be no change in CONSULTANT'S Project Manager or members of the project team, as listed in the approved Cost Proposal, which is a part of this contract without prior written approval by LOCAL AGENCY'S Contract Administrator.

ARTICLE IX - DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION

The RFQ established a DBE goal of 0% for services. CONSULTANT, where applicable, should make a good faith effort to meet the established goal by using a DBE sub-consultant as indicated in CONSULTANT'S Cost Proposal (Attachment I). If DBE sub-consultant is unable to perform, CONSULTANT must make a good faith effort to replace him/her with another DBE subconsultant if the goal is not otherwise met.

A DBE may be terminated only with written approval by LOCAL AGENCY and only for the reasons specified in 49 CFR 26.53 (f). Prior to requesting LOCAL AGENCY'S consent for the proposed termination, the prime consultant must meet the procedural requirements specified in 49 CFR 26.53(f). Where the scope of work is revised by LOCAL AGENCY such that the goal cannot be met, CONSULTANT shall not be held liable nor be required to pursue alternative DBE work in order to maintain the established goal.

ARTICLE X - COST PRINCIPLES

- A. CONSULTANT agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability and accountability of individual items.
- B. CONSULTANT also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 49 CFR Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by CONSULTANT to LOCAL AGENCY.

ARTICLE XI - CONTINGENT FEE

CONSULTANT warrants, by execution of this contract that no person or selling agency has been employed, or retained, to solicit or secure this contract upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business. For breach or violation of this warranty, LOCAL AGENCY has the right to annul this contract without liability; pay only for the value of the work actually performed, or in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE XII - RETENTION OF RECORDS/AUDIT

For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; CONSULTANT, subconsultants, and LOCAL AGENCY shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the contract. All parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. The state, State Auditor, LOCAL AGENCY, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of CONSULTANT that are pertinent to the contract for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

Subcontracts in excess of \$25,000 shall contain this provision.

ARTICLE XIII - DISPUTES

- A. Any dispute, other than audit, concerning a question of fact arising under this contract that is not disposed of by agreement shall be decided by a committee consisting of LOCAL AGENCY'S Contract Administrator and City Administrator, who may consider written or verbal information submitted by CONSULTANT.
- B. Not later than 30 days after completion of all work under the contract, CONSULTANT may request review by LOCAL AGENCY Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.
- C. Neither the pendency of a dispute, nor its consideration by the committee will excuse CONSULTANT from full and timely performance in accordance with the terms of this contract.

ARTICLE XIV - AUDIT REVIEW PROCEDURES

- A. Any dispute concerning a question of fact arising under an interim or post audit of this contract that is not disposed of by agreement, shall be reviewed by LOCAL AGENCY'S Finance Manager.
- B. Not later than 30 days after issuance of the final audit report, CONSULTANT may request a review by LOCAL AGENCY'S Finance Manager of unresolved audit issues. The request for review will be submitted in writing.
- C. Neither the pendency of a dispute nor its consideration by LOCAL AGENCY will excuse CONSULTANT from full and timely performance, in accordance with the terms of this contract.

ARTICLE XV - SUBCONTRACTING

- A. CONSULTANT shall perform the work contemplated with resources available within its own organization; and no portion of the work pertinent to this contract shall be subcontracted without written authorization by LOCAL AGENCY'S Contract Administrator, except that, which is expressly identified in the approved Cost Proposal.
- B. Any subcontract in excess of \$25,000 entered into as a result of this contract, shall contain all the provisions stipulated in this contract to be applicable to subconsultants.
- C. Any substitution of subconsultants must be approved in writing by LOCAL AGENCY'S Contract Administrator prior to the start of work by the subconsultant.

ARTICLE XVI - EQUIPMENT PURCHASE

- A. Prior authorization in writing, by LOCAL AGENCY'S Contract Administrator shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding \$5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
- B. For purchase of any item, service or consulting work not covered in CONSULTANT'S Cost Proposal and exceeding \$5,000 prior authorization by LOCAL AGENCY'S Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- C. Any equipment purchased as a result of this contract is subject to the following: "CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of \$5,000 or more. If the purchased equipment needs replacement and is sold or traded in, LOCAL AGENCY shall receive a proper refund or credit at the conclusion of the contract, or if the contract is terminated, CONSULTANT may either keep the equipment and credit LOCAL AGENCY in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established LOCAL AGENCY procedures; and credit LOCAL AGENCY in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT'S expense, on the basis of a independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by LOCAL AGENCY and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by LOCAL AGENCY." 49 CFR, Part 18 requires a credit to Federal funds for participating equipment with a fair market value greater than \$5,000 credited to the project.
- D. All subcontracts in excess \$25,000 shall contain the above provisions.

ARTICLE XVII - INSPECTION OF WORK

CONSULTANT and any subconsultant shall permit LOCAL AGENCY, the state, and the FHWA if federal participating funds are used in this contract; to review and inspect the project activities and files at all reasonable times during the performance period of this contract including review and inspection on a daily basis.

ARTICLE XVIII - SAFETY

- A. CONSULTANT shall comply with OSHA regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. CONSULTANT shall comply with safety instructions issued by LOCAL AGENCY Safety Officer and other LOCAL AGENCY representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.
- B. Pursuant to the authority contained in Section 591 of the Vehicle Code, LOCAL AGENCY has determined that such areas are within the limits of the project and are open to public traffic. CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- C. Any subcontract entered into as a result of this contract, shall contain all of the provisions of this Article.

ARTICLE XIX - INSURANCE

- A. Prior to commencement of the work described herein, CONSULTANT shall furnish LOCAL AGENCY a Certificate of Insurance presently in effect for CONSULTANT stating limits of insurance no less than:
 - 1. General Comprehensive Liability: one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability or other from with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/ location or the general aggregate limit shall be twice the required occurrence limit.
 - 2. Automobile Liability: one million dollars (\$1,000,000) per accident for bodily injury and property damage

3. Employer's Liability: one million dollars (\$1,000,000) per accident for bodily injury or disease
 4. Errors and Omissions Liability: one million dollars (1,000,000) per occurrence
- B. The Certificate of Insurance will provide:
1. That the insurer will not cancel the insured's coverage without 30 days prior written notice to LOCAL AGENCY.
 2. That LOCAL AGENCY, its officers, agents, employees, and servants are included as additional insureds, but only insofar as the operations under this contract are concerned.
 3. That LOCAL AGENCY will not be responsible for any premiums or assessments on the policy.
- C. CONSULTANT agrees that the bodily injury liability insurance herein provided for, shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time or times during the term of this contract, CONSULTANT agrees to provide at least thirty (30) days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the contract, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of LOCAL AGENCY. In the event CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, LOCAL AGENCY may, in addition to any other remedies it may have, terminate this contract upon occurrence of such event.

ARTICLE XX - OWNERSHIP OF DATA

- A. Upon completion of all work under this contract, ownership and title to all reports, documents, plans, specifications, and estimates produce as part of this contract will automatically be vested in LOCAL AGENCY; and no further agreement will be necessary to transfer ownership to LOCAL AGENCY. CONSULTANT shall furnish LOCAL AGENCY all necessary copies of data needed to complete the review and approval process.
- B. It is understood and agreed that all calculations, drawings and specifications, whether in hard copy or machine-readable form, are intended for one-time use in the construction of the project for which this contract has been entered into.
- C. CONSULTANT is not liable for claims, liabilities, or losses arising out of, or connected with the modification, or misuse by LOCAL AGENCY of the machine-readable information and data provided by CONSULTANT under this contract; further, CONSULTANT is not liable for claims, liabilities, or losses arising out of, or connected with any use by LOCAL AGENCY of the project documentation on other projects for additions to this project, or for the completion of this project by others, except only such use as may be authorized in writing by CONSULTANT.
- D. Applicable patent rights provisions regarding rights to inventions shall be included in the contracts as appropriate (48 CFR 27, Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).
- E. LOCAL AGENCY may permit copyrighting reports or other agreement products. If copyrights are permitted; the agreement shall provide that the FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.
- F. Any subcontract in excess of \$25,000 entered into as a result of this contract, shall contain all of the provisions of this Article.

ARTICLE XXI - CLAIMS FILED BY LOCAL AGENCY'S CONSTRUCTION CONTRACTOR

- A. If claims are filed by LOCAL AGENCY'S construction contractor relating to work performed by CONSULTANT'S personnel, and additional information or assistance from CONSULTANT'S personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with LOCAL AGENCY'S construction contract administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.
- B. CONSULTANT'S personnel that LOCAL AGENCY considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from LOCAL AGENCY. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT'S personnel services under this contract.

- C. Services of CONSULTANT'S personnel in connection with LOCAL AGENCY'S construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this contract in order to resolve the construction claims.
- D. Any subcontract in excess of \$25,000 entered into as a result of this contract, shall contain all of the provisions of this Article.

ARTICLE XXII - CONFIDENTIALITY OF DATA

- A. All financial, statistical, personal, technical, or other data and information relative to LOCAL AGENCY'S operations, which are designated confidential by LOCAL AGENCY and made available to CONSULTANT in order to carry out this contract, shall be protected by CONSULTANT from unauthorized use and disclosure.
- B. Permission to disclose information on one occasion, or public hearing held by LOCAL AGENCY relating to the contract, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.
- C. CONSULTANT shall not comment publicly to the press or any other media regarding the contract or LOCAL AGENCY'S actions on the same, except to LOCAL AGENCY'S staff, CONSULTANT'S own personnel involved in the performance of this contract, at public hearings or in response to questions from a Legislative committee.
- D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this contract without prior review of the contents thereof by LOCAL AGENCY, and receipt of LOCAL AGENCY'S written permission.
- E. Any subcontract entered into as a result of this contract shall contain all of the provisions of this Article.
- F. All information related to the construction estimate is confidential, and shall not be disclosed by CONSULTANT to any entity other than LOCAL AGENCY.

ARTICLE XXIII - NATIONAL LABOR RELATIONS BOARD CERTIFICATION

In accordance with Public Contract Code Section 10296, CONSULTANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONSULTANT within the immediately preceding two-year period, because of CONSULTANT'S failure to comply with an order of a federal court that orders CONSULTANT to comply with an order of the National Labor Relations Board.

ARTICLE XXIV - EVALUATION OF CONSULTANT

CONSULTANT'S performance will be evaluated by LOCAL AGENCY. A copy of the evaluation will be sent to CONSULTANT for comments. The evaluation together with the comments shall be retained as part of the contract record.

ARTICLE XXV - STATEMENT OF COMPLIANCE

- A. CONSULTANT'S signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that CONSULTANT has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.
- B. During the performance of this Contract, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in

full. Consultant and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

ARTICLE XXVI - DEBARMENT AND SUSPENSION CERTIFICATION

- A. CONSULTANT'S signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT has complied with Title 2 CFR Part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (non-procurement)", which certifies that he/she or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to LOCAL AGENCY
- B. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.
- C. Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

ARTICLE XXVII - STATE PREVAILING WAGE RATES

- A. CONSULTANT shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work.
- B. Any subcontract entered into as a result of this contract if for more than \$25,000 for public works construction or more than \$15,000 for the alteration, demolition, repair, or maintenance of public works, shall contain all of the provisions of this Article.

ARTICLE XXVIII - CONFLICT OF INTEREST

- A. CONSULTANT shall disclose any financial, business, or other relationship with LOCAL AGENCY that may have an impact upon the outcome of this contract, or any ensuing LOCAL AGENCY construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing LOCAL AGENCY construction project, which will follow.
- B. CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this contract.
- C. Any subcontract in excess of \$25,000 entered into as a result of this contract, shall contain all of the provisions of this Article.
- D. CONSULTANT hereby certifies that neither CONSULTANT, nor any firm affiliated with CONSULTANT will bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this contract. An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.
- E. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this contract shall be eligible to bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this contract.

ARTICLE XXIX - REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION

CONSULTANT warrants that this contract was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any LOCAL AGENCY employee. For breach or violation of this warranty, LOCAL AGENCY shall have the right in its discretion, to terminate the contract without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

ARTICLE XXXI - NOTIFICATION

All notices hereunder and communications regarding interpretation of the terms of this contract and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

CONSULTANT (Project Manager):

Pavement Engineering Inc.
William J. Long, Senior Principal Engineer
20260 Skypark Drive
Redding, CA 96002
(530) 224-4535
BillL@pavementengineering.com

LOCAL AGENCY (Contract Administrator):

City of Susanville
Daniel Gibbs, City Engineer
720 South Street
Susanville, CA 96130
(530) 257-1041
dgibbs@cityofsusanville.org

ARTICLE XXXII - CONTRACT

The two parties to this contract, who are the before named CONSULTANT and the before named LOCAL AGENCY, hereby agree that this contract constitutes the entire agreement which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this contract as evidenced by the signatures below.

ARTICLE XXXIII SIGNATURES

Consultant, Pavement Engineering Inc.

City of Susanville

William J. Long, Senior Principal Engineer

Kevin Stafford, Mayor

DATE: _____

DATE: _____

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

DATE: _____

Reviewed by:  City Administrator

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Quincy McCourt, Project Manager

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Consider **Resolution No. 19-5680**, adopting updated HOME Guidelines and revert back to the existing 2015 CDBG Program Guidelines.

PRESENTED BY: Quincy McCourt, Project Manager

SUMMARY: The City of Susanville has Program Income on hand from payments being made on previous HOME Program loans. The City is in the process of finalizing and adopting a new HOME First-Time Homebuyer’s Program (FTHB) and an Owner-Occupied Rehabilitation Program (OOR). The loan programs will assist eligible applicants in purchasing their first home or performing needed repairs on existing homes.

Guidelines for both HOME programs were completed and adopted by the Council on March 20, 2019. However, the version adopted was a boilerplate version provided by the State which also included CDBG and CalHOME programs and the City already had a current set of guidelines for their CDBG Program. When presented to the Loan Committee, they recommended three changes to the guidelines:

1. Limit the loan to 30 years (not 45)
2. Include a 3% simple interest rate (as previously charged) that will be charged annually for the first 10 years, drop off by 3% in years 11-20 and be only principal after 20 years.
3. Remove the CalHome and CDBG Program sections from the guidelines recently adopted.

Staff made the requested changes to the guidelines and have already received approval from the State Department of Housing and Community Development on the HOME guidelines. Staff is now requesting approval from the Council to keep the guidelines separate by adopting the updated HOME guidelines, including the requested changes, and to continue using the existing CDBG Program guidelines as adopted in 2015.

FISCAL IMPACT: None.

ACTION REQUESTED: Motion to approve Resolution No.19-5680, adopting updated HOME Guidelines and revert back to the existing 2015 CDBG Program Guidelines.

ATTACHMENTS: Resolution 19-5680
 Amended HOME FTHB Guidelines
 HOME OOR Guidelines
 2015 CDBG Program Guidelines

RESOLUTION NO. 19-5680
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
ADOPTING UPDATED HOME GUIDELINES AND REVERT BACK TO THE EXISTING
2015 CDBG PROGRAM GUIDELINES

WHEREAS, the City of Susanville is preparing for HOME known as the First-Time Homebuyers Program and the Owner-Occupied Rehabilitation Program; and

WHEREAS, the loan committee provide recommendations that modify the guidelines; which include: 3% deferred interest, a 30 year loan, and removing CalHome and CDBG from the guidelines; and

WHEREAS, the City of Susanville made the changes and submitted to HOME for approval and HOME approved; and

WHEREAS, the City of Susanville will be reverting back to the 2015 guidelines for the CDBG Program.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville approves and adopts the amended HOME First-Time Homebuyers and Owner-Occupied Rehabilitation Program guidelines and will revert back to the 2015 guidelines for the CDBG Program.

APPROVED: _____
Kevin Stafford, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 19-5680 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of August, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM _____
Jessica Ryan, City Attorney

City of Susanville

Homebuyer Program Guidelines



For:

HOME Investment Partnerships Program

Serving the City of Susanville

HOME Approved 07/15/2019

HOMEBUYER PROGRAM GUIDELINES

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City of Susanville

HOMEBUYER PROGRAM GUIDELINES

1.0. GENERAL

The above-named entity, hereinafter referred to as the “Sponsor,” has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded homebuyer programs. The homebuyer program described herein (the “Program”) is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as “housing units”, located within the Program’s eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence. The Program will be administered by the City of Susanville, (the “Program Operator”).

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.

- B. The Program Operator will work with local real estate agents and primary lenders

to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.

- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. The Sponsor maintains a waiting list of applicants. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Completed applications are processed on a first-come-first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.
- B. Once the applicant's name comes to the top of the waiting list, their Program eligibility is confirmed and they are invited to a briefing regarding participation in the Program. At the briefing the application is reviewed and the potential homebuyer is given a "Preliminary Eligibility Letter" for the Program along with the following forms: Program Brochure, Attachment (G) Instructions to Home Buyer, List of Participating Lenders, Attachment (E) Sellers Lead-Based Paint Disclosure and the EPA Booklet (Protect Your Family from Lead in Your Home) and (F) Notice to Seller.

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

- C. Each applicant must participate in individual Homebuyer Counseling provided by the Program Operator and receive a certificate of completion.
- D. The potential homebuyer is given 90 days in order to find a qualified home and begin securing a primary loan for the housing unit. If during the 90-day time frame, the potential homebuyer is unable to purchase a home, an extension may be given. However, if it appears the potential homebuyer cannot participate in the Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

DEBT SERVICE		
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH		
HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS
Principal & Interest Payment	\$ 865	\$1,180 Housing
Insurance	82	<u>+200</u> Other Debt Service
Taxes	<u>233</u>	\$1,380 Total Debt Service
Total Housing Expense	\$1,180	(Overall debt service per month is 41% of \$3,388)
	(PITI is 35% of \$3,388)	
OTHER HOUSEHOLD DEBT SERVICE		
Car Payment	\$ 150	
Credit Card Payment	<u>50</u>	
Total Other Debt	\$ 200	
A \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30 year term.		

- B.
B.

SUBSIDY CALCULATION	
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH	
Purchase Price of Property	\$ 280,000
Less Primary loan amount	143,000
Less down payment of 1%	<u>2,800</u>
Equals "GAP"	\$ 134,200
Plus estimated allowable settlement charges	<u>8,400</u>
Equals Total Subsidy	\$ 142,600

- B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:
- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement;
 - 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state-licensed appraiser;
 - 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards;
 - 4) All housing units built prior to January 1, 1978, will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);
 - 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
 - 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for three months prior to submission of the purchase offer;
 - 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.
- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- D. Program Operator, where Program Operator is not the Sponsor, submits recommendation to the Sponsor for approval or denial, including the reasons for the recommendation. Sponsor determines Applicant's approval or denial, and instructs Program Operator to notify Applicant. Program Operator provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
- E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.
- F. At the time of escrow closing, the Sponsor shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the

Sponsor as insured is also required.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the Sponsor. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.
- B. Homebuyer must contribute a minimum down payment of one percent (1%) of the purchase price, but may contribute more if desired.
- C. Sponsor will not provide a subsidy that is greater than the amount of the primary mortgage. The subsidy will write down the cost of the primary lender's loan so that the payments of PITI are within approximately 25 to 30% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program.

1.5. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Sponsor, Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a Sponsor-approved homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.6. CONFLICT OF INTEREST REQUIREMENTS

Section 92.356 of the HOME Final Rule shall be followed for HOME assistance, as follows:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD.

(See Attachment C for current income limits).

Household: Means one or more persons who will occupy a housing unit. Unborn children count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other

household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets, however, is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings, and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

HOME Programs are required to use the following definition of an eligible homebuyer, which is a "first-time homebuyer" from 8201(l) Title 25 California Code of Regulations:

"First-time homebuyer" means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who owns or owned, as a principal

residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:

- a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
- b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: “Within the City of Susanville”
- B. Housing unit types eligible for the homebuyer Program are new or previously owned single-family residences; condominiums; or manufactured homes in mobilehome parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow manufactured homes unless on a permanent foundation system.
- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the City as loss payee in order to close escrow.
- E. Housing must be “modest”, having no more than three bedrooms, two bathrooms, and a two-car garage. Larger homes are acceptable if necessary for only the following reasons:
 - The family size necessitates additional bedroom(s); or
 - A reasonable accommodation is necessary due to the family’s disability (e.g. an extra bedroom for an aide)

Exceptions for these reasons must be approved by the Loan Committee and must be documented for monitoring purposes.

3.2. CONDITIONS

- A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) When the Sponsor's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C will apply.
- 2) The Program Operator, a certified housing inspector, or a Sponsor representative will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller. Only new construction and homes built within the previous 12 months and not previously occupied are not subject to a home inspection.
- 3) Upon completion of all work required by the Program Operator, Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

- B. Per Section 8208 of the State HOME regulations, no additional HOME assistance, including rehabilitation funds, may be provided during the period starting one year following the filing of the Project Completion Report through the end of the Affordability Period.

The HOME Affordability Period is as follows (amount does not include Activity Delivery Costs paid to the State Recipient by HCD):

Amount of HOME Assistance	Period of Affordability in Years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

- C. Lead-Based Paint Hazards: All housing units built prior to 1978 for which HOME funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified

LBP Risk Assessor/Inspector. HOME general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

- 1) **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet "*Protect Your Family From Lead in Your Home*" (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP - 1 (Attachment H).
 - 2) **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer.
 - 3) **Inspections:** The Inspector shall conduct a "Visual Assessment" of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
 - 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.
- D. The Program Operator will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser's file (see Attachment I).

3.3 ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with Sponsor's relocation

plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including HOME) is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.4. PROPER NOTIFICATION AND DISCLOSURES

- A.** Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.
- B.** All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded programs).

4.0. PURCHASE PRICE LIMITS

For HOME, the purchase price limits for this Program shall not exceed the HOME

Maximum Purchase Price/After-Rehab Value Limit for Sponsor's County as updated by HCD.

Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS *Sponsor will update these limits annually as HCD provides new information.

5.0. THE PRIMARY LOAN

Prior to obtaining a loan from the Sponsor, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the "primary loan").

A. QUALIFYING RATIOS

The front-end (housing) debt-to-income ratio shall be between 25% and 30% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of the loan principal and interest payment, property taxes, property insurance, mortgage insurance, and HOA dues, if any.

The back-end (total) debt-to-income ratio shall be between 28% and 35% and is the percentage of a borrower's gross monthly income that would cover the cost of housing as described in the paragraph above, plus any other monthly debt payments like car or personal loans and credit card debt, as well as child support and alimony payments.

B. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA. No temporary interest rate buy-downs are permitted.

C. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

D. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

A. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

For HOME, the amount of Program assistance to a homebuyer toward purchase of a home shall not exceed the maximum HOME subsidy limit for Sponsor's County per bedroom per the HCD website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml> and **shall never exceed the amount of the primary mortgage**. See Attachment C of these Program Guidelines for current limits. Any approved "grant" amount for lead-based paint evaluation and reduction activities or for relocation assistance shall be included in this amount, as shall Activity Delivery Costs.

B. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan.

C. AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.0.A. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The Program Operator will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus closing costs) less down payment, and the amount of the primary loan.

D. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL).

The Program loan's term shall be for 30 years.

The Program loan's interest rate shall be 3% deferred.

All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. Loan principal shall not be forgiven, and the loan period cannot be extended, except for loans that are resubordinated when a rate and term refinance is approved, per Attachment D.

E. COMBINED LOAN-TO-VALUE RATIO

The loan-to-value ratio for a Program loan, when combined with all other indebtedness to

be secured by the property, shall not exceed 100 percent of the sales price plus a maximum of up to 5 percent of the sales price to cover actual closing costs.

7.0. PROGRAM LOAN REPAYMENT

7.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time, without penalty.

7.2. RECEIVING LOAN PAYMENTS

- A. Program loan payments will be made to:

The City of Susanville
66 North Lassen St.
Susanville, CA 96130

- B. The Sponsor will be the receiver of loan payments or recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's Program Income Account, as required by HCD programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the Sponsor. The Sponsor may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

7.3. DUE UPON SALE OR TRANSFER

In the event that an owner sells, transfers title, or discontinues residence in the purchased property for any reason, the principal balance of the DPL is due and payable, except:

- A. If the owner of the property dies, and the heir to the property meets income requirements, the First-Time Homebuyer definition, and intends to occupy the home as a principal residence, the heir may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir qualifies for under the current participation guidelines. If the property owner dies and the heir does not meet eligibility requirements, the loan is due and payable.

- B. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.
- C. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

7.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

7.5. LOAN MONITORING PROCEDURES

Sponsor will monitor Borrowers and their housing units annually to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

- A. Loan Processing

All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the Sponsor's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the

Sponsor's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the Sponsor and documentation of such maintained in the loan file. The Sponsor may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's application packet, the Program Operator will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the Program Operator will do an income certification (using most recent HCD program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed the Program Operator will submit it to the Sponsor for approval. Sponsor will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth In Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

8.3 ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. SUBORDINATE FINANCING

Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The Sponsor may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the Sponsor's Loan Committee and/or governing body, after proposed changes are approved by applicable HCD Contract Management Representative(s).

10.1. DEFINITION OF EXCEPTION

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

10.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for a decision.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the Sponsor's governing body. Final appeal must be filed in writing with HCD within one year after denial.

24 CFR Part 5 Annual Income Inclusions

§5.609 Annual income.

- (a) *Annual income* means all amounts, monetary or not, which:
- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
 - (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
 - (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
- (b) Annual income includes, but is not limited to:
- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
 - (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
 - (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
 - (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- (15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- (16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See <https://www.federalregister.gov/documents/2014/05/20/2014-11688/federally-mandated-exclusions-from-income-updated-listing> for most recent notice]
- (d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the 24 CFR Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR LASSEN COUNTY
(HOME Value Limits as of 4/1/2018)**

EXISTING CONSTRUCTION	NEW CONSTRUCTION (less than 12 months old)
\$165,000	\$269,000

**HOME SUBSIDY LIMITS PER UNIT FOR LASSEN COUNTY
(Limits are effective 06/04/2018)**

O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
\$147,074	\$168,600	\$205,017	\$265,228	\$291,136

**INCOME LIMITS FOR LASSEN COUNTY*
(Limits became effective 6/1/2018)**

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$38,100	\$43,550	\$49,000	\$54,400	\$58,800	\$63,150	\$67,500	\$71,850

**SPONSOR STANDARDS FOR BEDROOMS AND BATHROOMS TO PREVENT
OVERCROWDING**

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3

10	5-BR	3
12	6-BR	4

SEE ADDITIONAL OCCUPANCY FACTORS ON FOLLOWING PAGE

- **Children may share a bedroom, up to 2 children per bedroom.**
- **Children shall be permitted a separate bedroom from their parents.**
- **Adults not in a partner relationship may have their own bedroom.**
- **4 or more people – a second bathroom is allowable.**
- **8 or more people – a third bathroom is allowable.**
- **Same rules apply to mobile home units.**

The chart above is used as a guide to overcrowding.

**ATTACHMENT D
LOAN SERVICING POLICIES AND PROCEDURES
FOR THE CITY OF SUSANVILLE**

The City of Susanville, hereafter called "Lender," has adopted these policies and procedures in order to preserve its financial interest in properties whose "Borrowers" have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes (or Lender will use _____ loan collection Company to collect payments). Late fees will be charged for payments received after the assigned monthly due date.

For Notes which are deferred payment loans, the Lender must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee. Except for HOME-funded loans, if borrower fails to maintain the necessary insurance, the Lender may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the City as lender loss payee will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan (not permissible when funded with HOME). Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lienholder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans, the Lender will require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. On HOME-funded loans, annual occupancy verification will occur within 45 days of the anniversary date of the loan.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and Borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases, the Borrower might move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some

of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance their existing first mortgage, they must submit a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrances on the property above traditional refinance transaction costs. The refinance should lower the existing housing cost of the household. The total indebtedness on the property should not exceed the current market value except when the borrower is obtaining a HARP II or other similar federally approved refinance loan. If the HARP II or other similar financing is approved and meets all other requirements, Combined Loan-To-Value will not be considered when reviewing the subordination request.

Also, the loan must:

1. be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
2. not have a temporary interest rate buy-down;
3. have a term "all due and payable" that matures prior to or concurrently with the maturity date of the Promissory Note. Therefore, the maturity date of the existing Promissory Note should be modified to coincide with the maturity date of the new first mortgage; and,
4. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lienholder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lienholder

When the Lender is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner

and junior lienholders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

ATTACHMENT E

SELLERS LEAD-BASED PAINT DISCLOSURE

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) ___ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) ___ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) ___ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) ___ Purchaser has received copies of all information listed above.

(d) ___ Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

(e) ___ Purchaser has (check (i) or (ii) below):

(i) ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

Agent's Acknowledgment (initial)

(f) ___ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ Seller	_____ Date	_____ Seller	_____ Date
_____ Purchaser	_____ Date	_____ Purchaser	_____ Date
_____ Agent	_____ Date	_____ Agent	_____ Date

**ATTACHMENT F
DISCLOSURE TO SELLER WITH VOLUNTARY, ARM'S LENGTH
PURCHASE OFFER
DECLARATION**

This is to inform you that _____, would like to purchase the property, located at _____, if a satisfactory agreement can be reached. We are prepared to pay \$_____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, _____ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor _____ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$_____ and was estimated by _____, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at:

_____. If you have any questions about this matter, please contact _____ at _____.

Sincerely,

Title

Buyer

Date

Buyer

Date

Form continues on next page with Seller's Acknowledgment

Acknowledgement

As the Seller I/we understand that the _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the City's program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

Vacant at least 3 months; Owner-occupied; New; or Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

**ATTACHMENT G
CITY OF SUSANVILLE
INSTRUCTIONS TO HOMEBUYER**

- A. Participant works with lender of choice to obtain the primary lender's pre-qualification letter.
- B. After consultation with Program Operator regarding approved bedroom and bathroom maximums (always 3 bedrooms and 2 bathrooms unless overcrowding justifies more to be approved), participant works with real estate agent to select home. Program disclosures are reviewed with agent for presentation to seller. The HOME Program allows only homes vacant for three months or more prior to the date of the purchase offer, unless the current tenant is purchasing the home or the seller has been the only occupant during those three months.
- C. Participant selects home and enters into a purchase contract (contingent upon receiving Program loan approval). Lender provides the Program Operator with a copy of:
 - real estate sales contract
 - residential loan application and credit report
 - verified income documentation
 - disclosure statement
 - proof of personal funds for participation in program
 - breakdown of closing costs
 - structural pest control clearance
 - appraisal with photos and preliminary title report
- D. Program Operator reviews paperwork to determine program eligibility and financing affordability for participant.
- E. Program Operator staff meets with qualified applicant to provide information relative to the program requirements, the lending process, and homeownership responsibilities.
- F. Program Operator has home inspected to document health & safety and code compliance. Notice of any deficiencies or needed corrections are given to participant's real estate agent, with recommended course of action. Only new construction and homes built within the previous 12 months and not previously occupied are not subject to a home inspection.
- G. Program Operator requests loan approval from Sponsor's Loan Review Committee. Following loan approval, Program Operator prepares Decd of Trust, Promissory Note, Request for Notice of Default, Grant Agreement, Owner-Occupant Agreement with City, and Escrow Instructions, and requests check and deposits same into escrow.
- H. Escrow company furnishes Program Operator with proof of documents to be recorded, and any escrow closeout information. After receipt of recorded loan documents, Final escrow Settlement Statement, Insurance Loss Payee Certification and Final Title Insurance Policy (Program Operator) closes out the loan file.

**ATTACHMENT H
LEAD-BASED PAINT
VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD
REDUCTION FORM**

Section 1: Background Information			
Property Address:		No LBP found or LBP exempt <input type="checkbox"/>	
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found.	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.
Date of Presumption Notice:
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>
Attachment B: Summary of Presumption:

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:

If "No", dates of previous Hazard Reduction Activity Notices:
Attachment C: Activity locations and types.
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information	Organization:	
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

**ATTACHMENT I
 HOMEBUYER PROGRAM LEAD COMPLIANCE DOCUMENT CHECKLIST**

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

Document Name	Purpose	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

http://portal.hud.gov/hudportal/documents/huddoc?id=20264_leadcompliance.doc

City of Susanville

SINGLE-FAMILY HOUSING REHABILITATION ASSISTANCE PROGRAMS (HOME)

PROGRAM DESIGN AND PROCESS



HCD Version 08/2018

HOME Approved 07/15/19

**City of Susanville
HOUSING REHABILITATION
PROGRAM GUIDELINES**

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**City of Susanville
HOUSING REHABILITATION
PROGRAM GUIDELINES**

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City of Susanville
HOUSING REHABILITATION
PROGRAM GUIDELINES

Adopted date

1.0. GENERAL

The above-named entity, hereinafter referred to as the “Sponsor”, has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded housing rehabilitation programs. The rehabilitation program described herein and hereinafter referred to as the “Program” is designed to provide assistance to eligible homeowners for correction of health and safety items, as well as code violations, located within the Program’s eligible area, as described in Section 3.0. The Program provides this assistance in the form of deferred payment loans used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary and code compliant home, referred to herein as “housing unit”. The Program will be administered by the City of Susanville, hereinafter referred to as the “Program Operator”.

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation, be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. A Fair Housing Marketing Plan can be found as Attachment D. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homeownership education classes to help educate homeowners about credit, budgeting, predatory lending, foreclosure prevention and home maintenance, as well as future responsibilities.
- B. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

A. Waiting List/Homeowner Contact

The Sponsor will utilize a waiting list. In response to a homeowner's request, the homeowner is placed on the waiting list. Homeowners are offered the opportunity to qualify for assistance by waiting list priority (a first-come, first served basis).

The Program Operator will contact homeowners by mail and/or by telephone to advise of funding availability. The homeowner has 30 days to complete and return the loan application and supporting documentation. Should a homeowner fail to respond to the initial contact for assistance or to provide any of the required documentation within the 30-day period, the homeowner's name will be removed from the waiting list. If the homeowner desires assistance at a later time, he/she will be placed on the waiting list at that time.

Should the waiting list be exhausted, the Program will be marketed in accordance with the Sponsor's Marketing Plan. **See Attachment D.**

B. Application/Interview

An application packet is provided to the homeowner for completion and submittal to the Program Operator, along with supporting documentation. An interview is scheduled with the applicant. The Program is fully explained; application forms and documentation are reviewed. Verifications are obtained for income, assets, employment, benefits, and mortgage. Title report and appraisals are also obtained.

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

C. Household Selection

Households selected for participation in the Sponsor's Housing Rehabilitation Program are those determined eligible upon completion of processes described in A. and B. above.

D. Initial Inspection/Work Write-Up/Estimate

Prospective units are inspected by the Program Operator, a certified housing inspector, or a Sponsor representative to determine eligibility and acceptability of properties for participation in the Program.

If the home is a pre-1978 unit, the initial inspection will also include paint testing by a certified Lead-Based Paint (LBP) inspector/assessor or presumption of LBP. Code deficiencies will be corrected and if presumption is used or lead hazards are found they will be properly treated according to HUD regulations (Section 6.1.E & F) and cleared by a certified LBP inspector/assessor.

Measurements and observations are noted about the property, including special conditions with potential cost consequences (dilapidated outbuildings, absence of curb and gutter when required by code, etc.). A floor plan and site plan, as needed, are drawn for the home and property, including all appurtenances.

Findings are noted on an inspection form, and later used by the Program Operator to prepare the work write-up. Estimated costs are determined by the Program Operator who has years of experience in the building industry, and in reviewing contractor bids and verifying cost with materials suppliers. The homeowner reviews the completed work write-up and cost estimate, and the approved write-up is incorporated into bid documents.

E. Bid Solicitation

A bid walk-through date and time are scheduled. The homeowner may choose to solicit his/her own bids or request that the Program Operator solicit bids on his/her behalf. Invitations to bid are mailed to all eligible contractors on file in efforts to obtain three reasonable bids. Bid results will be provided to participating contractors.

Contractors must be licensed and bonded by the State of California Contractors Licensing Board. Contractors must also provide Program Operator with evidence of Workers' Compensation Insurance and Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000.

Cost reasonableness is determined by comparing the bids received with the cost estimate prepared by the Program Operator. Bids should be within 10% of the Program Operator's cost estimate, otherwise an explanation must be provided to the file for any bid selected exceeding 10% of the estimate. The homeowner is encouraged to accept the lowest reasonable bid.

The Program Operator determines eligibility of the contractor by contacting the State Contractors License Board and checking the Federal List of Debarred Contractors. The contractor is also required to provide a self-certification stating that he/she is not on the Federal debarred list. Once determined eligible, the contractor is then notified of provisional award of bid (pending loan approval). Notices of non-award are mailed to participating contractors.

F. Loan Request/Approval

A report and loan request are prepared on behalf of the homeowner by the Program Operator. The loan request includes the cost of construction, a contingency fund, and other project costs (listed in Section 6.3.). Note: HOME, the project costs listed in Section 6.3 are considered activity delivery costs to be paid by the Sponsor and may not be charged to the homeowner's loan. A Loan Review Committee meeting is scheduled to hear the loan request. Section 1.3 provides additional information on the loan approval process. Once approved, loan documents are executed and the loan is funded.

G. Pre-Construction Conference

A pre-construction conference is scheduled with homeowner, contractor, and Program Operator. The Program Operator reviews the Owner-Contractor Construction Contract, including the work write-up, start date, pay schedule, and date of completion, with the homeowner and contractor. The construction contract and Notice to Proceed are executed.

H. Start-Up/Field Inspections

The Program Operator monitors date of start-up and performs field inspections on a regular basis. The Program Operator will visit the job site regularly in order to check the scope of work, inspect materials, and to confirm the job is on schedule and within budget. The Program Operator works with the Sponsor's Building Inspector to ensure the work meets building codes, while not exceeding funding limits.

The Program Operator reviews the work status with the homeowner and with the contractor in order to remedy any developing problems quickly and to ensure that both are satisfied with the construction process. At the completion of each phase, the Program Operator inspects the work and the homeowner authorizes contractor payments.

The Program Operator will refer back to original plans and specifications to verify the work was completed as contracted. Homeowner's "sweat equity" commitment will also be checked, if any (not permissible for HOME Program assistance).

I. Change Orders

Written change orders are required when the homeowner requests any changes in the write-up, such as eliminating an item completely, eliminating one item and substituting another, or adding items. The change order will state the change and dollar value for the change. The change order must be signed by both the contractor and the homeowner, and submitted to the Program Operator for approval. If the change order exceeds the approved financing, the homeowner will be asked to provide additional funds or a report and request for additional funds may be presented to the Sponsor's Loan Review Committee for approval prior to Program Operator signing-off on the change order.

J. Progress Payments

Ninety percent (90%) of the contract amount is distributed to the contractor in the form of progress payments during construction. The final ten-percent (10%) of the

contract amount is set aside as a retention payment. The contractor requests a progress payment from the homeowner and notifies the Program Operator that he/she has done so. Upon favorable inspection by the homeowner, Program Operator, and Sponsor or Sponsor's Building Inspector, the payment authorization is signed by the homeowner and submitted for payment.

K. Final Inspections/Notice of Completion/Final Payment

When the project is completed, the Program Operator inspects the work item by item with the homeowner, the contractor, and/or the Sponsor. The Sponsor's Building Inspector performs a final inspection. Any corrections or deficiencies are noted and corrected by the contractor. Upon favorable final inspections, a Notice of Completion is prepared, signed by the homeowner, and then recorded. The final ten-percent (10%) retention payment is released 35 days after the recording of the Notice of Completion.

1.3. LOAN PROCESS

The Sponsor's Loan Review Committee must approve all loans and grants.

For HOME-funded loans, the total financing cannot be more than 100 percent of the after-rehabilitation value, unless per HOME Management Memorandum 13-01 at <http://www.hcd.ca.gov/grants-funding/grants-management-memos.shtml#home> the entire HOME assistance amount is granted rather than loaned, due to a lack of any equity after rehabilitation, based on existing loans on the property and an after-rehabilitation value appraisal. In addition, the amount of HOME assistance, including Sponsor's claimed Activity Delivery Costs, cannot exceed the Sponsor's County maximum HOME Per Unit Subsidy Limit at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>, and the after-rehabilitation value cannot exceed the HOME Maximum After-Rehabilitation Value. **See Attachment C for current limits.**

In order to obtain financing, applicants must meet all property and eligibility guidelines in effect at the time the application is considered. Homeowners will be provided written notification of approval or denial. Any reason for denial will be provided to the applicant in writing.

1.4. CONFLICT OF INTEREST REQUIREMENTS

When the Sponsor's program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 92.356 of the HOME Final Rule shall be followed for HOME assistance, as follows:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

2.0. APPLICANT QUALIFICATIONS**1. INCOME LIMITS**

All homeowners must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year. See **Attachment C**.

The link to the official HCD-maintained income limits for HOME- activities is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income->

[limits.shtml](#) (for HOME, choose “State CDBG, HOME and NHTF – Income, Value and Rent Limits”).

Household: means one or more persons who will occupy a housing unit. Unborn children count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

1. OWNER-OCCUPIED REQUIREMENTS

Owner-Occupant - to be eligible, household income must be equal to or less than the applicable HCD income limits. Owner will be required to provide income documentation. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. **See Attachment A for HOME.** Refer to Asset Inclusions and Exclusions for further guidance to the types of assets to be included or excluded when calculating gross annual income. **See Attachment B.**

2. Owner-occupants housing and/or debt ratios are not considered, nor is a credit report required, as the funding provided creates no additional monthly financial obligation. If an owner-occupant has a mortgage, it is verified that all payments are current and that no late payments have been received in the past twelve months.

2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria for HOME, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and of live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

See Attachment A: HOME 24 CFR Part 5 Annual Income Inclusions and Exclusions.

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. (*Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.*)

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. HOMEOWNER ELIGIBILITY AND RESIDENCY REQUIREMENTS

The Sponsor's Housing Rehabilitation Program allows for owner-occupied and owner-investor/tenant-occupied properties to participate in the Program. Owner-occupied units must be the owner's principal place of residence. A photocopy of a recent utility bill will verify proof of occupancy. No unit to be rehabilitated will receive financial assistance if it

is currently occupied by an over-income household or does not meet the eligibility standards outlined in these guidelines.

1. OWNER-OCCUPIED

- A. Continued residency is monitored annually per Attachment F for the term of the loan. Occupancy will be verified by the submission of the following:
 - 1. Proof of occupancy in the form of a copy of a current utility bill; and
 - 2. Statement of unit's continued use as primary residence of the owner.
- B. In the event that an homeowner sells, transfers title, or discontinues residence in the rehabilitated property for any reason, the loan becomes due and payable, unless the following conditions are met:

The homeowner who received the loan dies and the heir to the property meets income requirements and intends to occupy the home as his/her principal residence. Upon approval of the Sponsor, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current participation guidelines. If the heir does not meet applicable eligibility requirements, the loan is due and payable.
- C. If a homeowner converts the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.

3. PROPERTY ELIGIBILITY

3.1. CONDITIONS

- A.No unit will be eligible if a household's income exceeds the prescribed income limits listed in Attachment C.
- B.Units to be rehabilitated must be located within the incorporated areas of the Sponsor's jurisdiction.
- C.Property must contain a legal residential structure intended for continued residential occupancy.
- D. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components.

3.2. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Tenants will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety of occupants or public danger or is otherwise undesirable because of the nature of the project. Relocated persons will receive increased housing costs, payment for moving and related expenses and appropriate

advisory services, as detailed in the Sponsor's "Residential Anti-displacement and Relocation Assistance Plan" (**Attachment E**).

Owner-occupants are not eligible for temporary relocation benefits, unless health and safety threats are determined to exist by the Program Operator. In cases where relocation is determined to be necessary by the Sponsor/Program Operator, assistance may be provided for actual costs incurred from the applicant's loan proceeds or as a grant (**see Section 4.4. for allowable grants**). HOME-funded projects will provide relocation assistance in the form of a grant, which shall be included in the maximum assistance amount.

3. NOTIFICATION AND DISCLOSURES -

- A. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as follows:

The Lead Hazard Information Pamphlet published by the EPA/HUD/Consumer Product Safety Commission will be given to all owners regardless of the cost of rehabilitation or paint test findings. If lead-based paint is found through testing or if presumed, a Notice of Lead Hazard Evaluation or Presumption will also be supplied. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report will also be provided (**Attachment I**).

- B. Tenants located in properties that will receive housing rehabilitation will be provided a notice outlining their relocation rights and benefits (**Attachment E**).

4.0. THE PROGRAM LOAN**4.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE**

An eligible homeowner may qualify for the full cost of rehabilitation/reconstruction work needed to comply with State and local codes and ordinances. Maximum assistance shall not exceed the Sponsor's County maximum HOME Subsidy Limits Per Unit at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

See Attachment C for current limits.

4.2. AFFORDABILITY PARAMETERS FOR HOMEOWNERS

- A. Total indebtedness against property shall not exceed 100 percent of after-rehabilitation value as determined by "Estimates of value" or an appraisal, for HOME projects. The exception for HOME loans is per HOME Management Memorandum 13-01 at <http://www.hcd.ca.gov/grants-funding/grants-management-memos.shtml#home> wherein the entire HOME assistance amount is granted rather than loaned, due to a lack of any after-rehabilitation equity based on existing loans on the property. An estimate of after-rehab value will be made prior to making a commitment of funds using the method outlined in Section 4.5.
- B. HOME-funded units' after-rehabilitation values shall not exceed the HOME Program Maximum Purchase Price/After-Rehabilitation Value Limits for Sponsor's County as updated by HUD and published on the HCD Website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>. **See Attachment C for current limits.**
- C. Costs may be supplemented with personal financing and/or credit will be provided for volunteer labor ("sweat equity") valued at \$10 per hour as per Section 6.1.D., or with other loan or grant programs, which are sources of leverage for the Sponsor. Sweat equity is not permissible for the HOME Program.
- D. Any bid within 10% of the Program Operator's estimate may be selected, otherwise an explanation must be provided to the file for a bid selected exceeding 10% of the estimate.

4.3. RATES AND TERMS**4.3.1. OWNER-OCCUPANTS**

1. A. Homeowners are eligible for Deferred Payment Loans (DPL), at 3% interest, evidenced by a Promissory Note and secured by a Deed of Trust, with no payback required for 30 years unless the borrower sells or transfers title or discontinues residence in the dwelling. Payments may be made voluntarily on a DPL.
 - 2.
- B. If the homeowner dies, and if the heir(s) to the property live(s) in the house and is/are income eligible, the heir(s) may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir(s) qualifies for under current participation guidelines.
- C. If the homeowner dies and the heir(s) is/are not income eligible, the loan becomes all due and payable.

- D. If a homeowner converts the rehabilitated property to any residential-rental, commercial or non-residential use, the loan becomes all due and payable, unless they meet requirements outlined in Section 2.3.2.

- E. As specified in the Rehabilitation Loan Agreement, all applicants who participate in the Program must maintain the property at post-rehabilitation conditions for the term of the loan. Should the property not be maintained accordingly, the loan shall be considered in default and becomes all due and payable, and if necessary, foreclosure proceedings will be initiated. A method of inspection will be established by the Sponsor.

A.4.4. GRANTS

- 1.
 - A. HOME provide grants for all actual costs of lead-based paint evaluation and reduction activities.
 - B. HOME provide grants for relocation assistance. See Relocation Assistance Plan, **Attachment E**.
 - 1. Owner-Occupant – Limit of \$3,000.
 - 2. Residential Tenant – Assistance will be provided at the level necessary to comply with the Uniform Relocation Act (URA) and Section 104(d) of the Housing and Community Development Act of 1974. **Note: HOME funds cannot be used for tenant-occupied units.**

4.5. APPRAISAL

- A. The After-Rehab Value for rehabilitation projects is determined using the “Estimates of value” method. The Sponsor or Program Operator determines estimates of value based on the sale prices of at least three (3) comparable properties, sold within the last six months (within one year of the assistance date, which is the date the promissory note is signed), and located within one mile of the subject property. The participants’ file will include the estimate of value and document the basis for the value estimates. The purpose of the “Estimates of value” is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (**See Attachment C**). If three comparable properties cannot be found, or if there is any question regarding the After-Rehab Value, the ARV will be determined by a licensed appraiser, as described in Section 4.5.B. below.

- B. A licensed appraiser determines the After-Rehab Value for rehabilitation projects, when the “Estimates of value” method cannot be used. For rehabilitation projects the appraiser determines the value of the unit with the rehabilitation building plans and specifications included. For HOME only, the cost of the appraisal will be paid by the Sponsor, not by the homeowner. The purpose of the appraisal is to determine that the after-rehabilitation value of the housing unit will not exceed the permitted amount per HCD Program regulations (**See Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above.

- C. The After-Rehab Value for reconstruction projects is determined by a licensed appraiser. The After-Rehab Value for reconstruction projects is determined by an appraisal completed off the building plans and specifications for the new home. For HOME only, the cost of the appraisal will be paid by the Sponsor, not by the homeowner. The purpose of the appraisal is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (See Attachment C).

6. INSURANCE

4.6.1. FIRE INSURANCE

The homeowner shall maintain fire insurance on the property for the duration of the Program loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the Sponsor as Loss Payee for the amount of the Program loan(s). Evidence of this shall be provided to the Sponsor.

In the event the applicant fails to make the fire insurance premium payments in a timely fashion, the Sponsor at its option, may make such payments for a period not to exceed 60 days. The Sponsor may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the Sponsor make any payments, it may, in its sole discretion, add such payments to the principal amount that the applicant is obligated to repay the Sponsor under this Program. The premium may be paid by the Program loan for one year. **Note: HOME funds cannot be used to pay insurance cost beyond those identified as initial loan costs.**

4.6.2. FLOOD INSURANCE

For homes in a 100-year flood zone, the owner is required to maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the Sponsor as Loss Payee and a binder shall be provided to the Sponsor and maintained in the borrowers file. The premium may be paid by the Program loan for one year. **Note: HOME funds cannot be used to pay insurance cost beyond those identified as initial loan costs.**

4.7. LOAN SECURITY

- A. Loan security for all owner-occupied rehabilitation stick-built homes will be secured by the real property and improvements, and will also include a Deed of Trust, Promissory Note and Loan Agreement in favor of the Sponsor.
- B. A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or an HCD 484 Statement of Lien, and will also include a Promissory Note and Loan Agreement.
- C. Entering a subordinate lien is acceptable. However, the Sponsor will not subordinate a first lien position once established.

5.0. PROGRAM LOAN SERVICING AND MAINTENANCE

5.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time.

5.2. RECEIVING LOAN REPAYMENTS

A. Program loan payments will be made to:

City of Susanville
66 North Lassen St.
Susanville, CA, 96130

B. The Sponsor will be the receiver of loan payments or recapture funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's appropriate Program Income Account, as required by all three HCD programs. The Program Sponsor will accept loan payments from borrowers prepaying deferred loans, from borrowers making payments in full upon sale or transfer of the property, and homeowners of tenant-occupied units. All loan payments are payable to the Sponsor. The Sponsor may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

5.3. LOAN SERVICING POLICIES AND PROCEDURES

See **Attachment F** for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

5.4. LOAN MONITORING PROCEDURES

Homeowners will be required to submit each of the following to the Sponsor at the time of annual occupancy verification per Attachment F:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use as a residence;
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

5.5. DEFAULT AND FORECLOSURE

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the Program Foreclosure Policy adopted by the Sponsor, and attached to these guidelines as **Attachment G**.

5.6. SUBORDINATIONS

The Sponsor may approve a request to subordinate a loan, in order for the owner to refinance the property, under the following conditions:

- A. The lien position of the Sponsor loan will remain the same or be advanced.
- B. The new primary loan is no greater than the balance of the loan being refinanced, except the costs of refinancing the loan may be added to the principal balance.
- C. The purpose of the new primary loan is to reduce the interest rate being paid and/or reduce the owner's payment.
- D. The refinanced loan must have an impound account for taxes and insurances.
- E. The refinancing terms must be acceptable to the Sponsor.

6. CONSTRUCTION

6.1. STANDARDS

A. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components.

B. Contracting Process

- 1. Contracting will be done on a competitive basis.
- 2. The homeowner will be the responsible agent, but the Sponsor and/or its Program Operator will prepare the work write-up, prepare and advertise the bid package, and assist the owner in negotiating the construction contract.
- 3. The Sponsor does not warrant any construction work, or provide insurance coverage.

C. Approved Contractors

- 1. Contractors are required to be licensed with the State of California, and be active and in good standing with the Contractors' License Board.
- 2. Contractors will be checked against HUD's list of federally debarred contractors. No award will be granted to a contractor on this list.

3. Contractors must have public liability and property damage insurance, and worker's compensation, unemployment and disability insurance, to the extent required by State law.
4. Contractor must agree to comply with all federal and state regulations.

- E. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as identified in Section 3.3.A.
- F. Units constructed prior to 1978 will also be inspected according to the following HUD regulations.
 - 1. If the total amount of Federal assistance or the total amount of rehabilitation hard cost is up to and including \$5,000, the following is required:
 - (a) Paint testing or presume LBP;
 - (b) Clearance of disturbed work areas; and
 - (c) Notifications listed in Section 3.3.A.
 - 2. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$5,000 up to and including \$25,000, the following is required:
 - (a) Paint testing or presume LBP;
 - (b) Risk assessment; and
 - (c) Clearance of unit.

If LBP hazards are identified, interim controls will be implemented. This level will also require a notice of "Abatement of Lead Hazards Notification" at least five days prior to starting work.

- 3. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$25,000, the following is required:
 - (a) Items (a), (b), and (c) of 2. above;
 - (b) Abatement of all LBP hazards identified or produced;
 - (c) Use of interim controls on exterior surfaces not disrupted by rehab; and all notices listed above in Sections 3.3.A. and 6.1.F.2.
- 4. All paint tests that result in a negative finding of lead-based paint are exempt from any and all additional requirements. If defective paint surfaces are found, they will be properly treated or abated. A State-certified Inspector/Assessor will perform all paint testing, risk assessments, and clearances. A trained supervisor may oversee interim controls; however, a certified supervisor and workers will perform all abatement.

6.2. ELIGIBLE CONSTRUCTION COSTS

"Rehabilitation" means, in addition to the definition in Section 50096 of the Health and Safety Code, repairs and improvements to a manufactured home necessary to correct any condition causing the home to be substandard pursuant to Section 1704 of Title 25, California Code of Regulations. Rehabilitation also includes room additions to alleviate overcrowding. Rehabilitation also means repairs and improvements where necessary to meet any locally-adopted standards used in local rehabilitation programs. Rehabilitation does not include replacement of personal property.

Rehabilitation includes reconstruction. Federal law and policy allows the use of HOME funds to demolish and reconstruct owner-occupied residential structures. Reconstruction is defined as the demolition and construction of a structure. The Sponsor and/or Program Operator must document that the reconstruction costs are less than the cost to rehabilitate

the existing substandard housing. This will be done, using the State's HOME Test for Reconstruction, for projects funded with HOME funds.

Additionally, the Sponsor must determine that the project's value after reconstruction (housing and land combined) is less than the Maximum After-Rehabilitation Value for the Sponsor (see Attachment C, One-Family).

The residential structure to be reconstructed must be a structure with cooking, eating, sleeping, and sanitation facilities which has been legally occupied as a residence within the preceding 12 months. Fifth wheels or recreational vehicles, for example, are not considered dwellings and therefore are not eligible under this Program.

Like for like requires that the structure being demolished must be replaced with a like structure (replace manufactured housing with manufactured housing, for example). However, additions may be approved by the HCD Program when required by Codes/Ordinances or to alleviate overcrowding. **(See Attachment C)**

Temporary relocation benefits must be planned for and budgeted into the total allowable subsidy for the project, but if required would be in the form of a grant.

Depending on the outcome of the Statutory Worksheet (Environmental test), a reconstructed project may require Authority from the State before funds are committed to the project.

Allowable rehabilitation\reconstruction costs include:

- A. Cost of building permits and other related government fees.
- B. Cost of architectural, engineering, and other consultant services which are directly related to the rehabilitation of the property.
- C. Rehabilitation or Replacement of a manufactured home not on a permanent foundation. Rehabilitation of a manufactured home may include the replacement of the unit with a used manufactured home and the cost to repair it, as long as the unit has been occupied and not used as a demonstration model. Should the unit meet the criteria for reconstruction a new manufactured home can be used for replacement and all cost associated with the purchase and transportation can be added to the loan.
- D. Owner-occupied rehabilitation activity delivery fees, pursuant to Section 7733(f), as reimbursement to the Sponsor for the actual costs of services rendered to the homeowner that are incidentally but directly related to the rehabilitation work (e.g. planning, engineering, construction management, including inspections and work write-ups).
- E. Rehabilitation will address the following issues in the order listed. Eligible costs are included for each item.
 - 1. Health and Safety Issues

Eligible costs include, but are not limited to, energy-related improvements, lead-based paint hazard evaluation and reduction activities, improvements for

handicapped accessibility, and repair or replacement of major housing systems.

Per the federal HOME Regulations at 24 CFR Part 92.251(b), Major Systems are:

- structural support
- roofing
- cladding and weatherproofing (e.g., windows, doors, siding, gutters)
- plumbing
- electrical
- heating, ventilation, and air conditioning.

Upon project completion, each of the major systems must have a remaining useful life for a minimum of five (5) years, so these systems must be rehabilitated or replaced as part of the rehabilitation work in order to achieve this requirement.

A driveway may be considered part of rehabilitation if it is determined to be a health and safety issue.

2. Code and Regulation Compliance

Eligible costs include, but are not limited to, additional work required to rehabilitate and modernize a home to bring it into compliance with current building codes and regulations. Painting and weatherization are included.

3. Demolition

Eligible costs include, but are not limited to, the tear down and disposal of dilapidated structures when they are a part of the reconstruction of an affordable housing unit. If a garage or carport is detached, it may not be rehabilitated but may be demolished, if it is determined to be a health and safety issue.

4. Upgrades

Eligible costs include additional bedrooms and bathrooms if the need can be demonstrated per HUD's or Sponsor's overcrowding guidelines listed in **Attachment C**. The Program will not fund additions to a home for a den or family room, or for any luxury items.

5. General Property Improvements

Eligible costs include, but are not limited to: addition or replacement of an oven, stove, dishwasher, or fixture; replacing floor coverings; painting; and repair or installation of fencing.

All improvements must be physically attached to the property and permanent in nature. Non-code general property improvements (including fencing, landscaping, driveway, etc.) will be *limited to 15 percent* of the rehabilitation loan amount. Any cash contribution by the property owner will be considered a general property improvement and be included in this percentage. Luxury items are not permitted. Items such as stoves and dishwashers that are not built-in

may be replaced due only to incipient failure or documented medical condition of the homeowner, and must be of moderate quality.

6. Rehabilitation Standards

All repair work related to health and safety conditions will meet Local Building Code standards. The priority will be the elimination of all health and safety hazards and code compliance, which is required for HOME-funded projects.

6.3. ELIGIBLE PROJECT COSTS

Examples of eligible project costs for all administrative expenses related to the paperwork for processing and insuring a loan application are listed below. For HOME, these costs are considered activity delivery costs and may not be charged to the homeowner's loan.

- Appraisal
- Property Report/Title Insurance
- Building Plan
- Termite Report
- Land Survey
- Grading Plan
- Recording Fees
- Fire/Course of Construction Insurance
- Flood Insurance, as applicable (HOME funds)

Costs are based on charges currently incurred by the Sponsor, or its Program Operator, for these products and/or services. Except for HOME loans, any cost increases charged to the Sponsor/Program Operator for these products and/or services will be passed on to the homeowner and included in the loan. All fees are subject to change and are driven by the market.

6.4. REPAIR CALLBACKS

Contractors will comply with State law regarding all labor and material warranties. All labor and material shall meet FHA minimum specifications.

6.5. SWEAT EQUITY

The Sponsor will determine if Sweat Equity will be allowed on a case-by-case basis in accordance with Section 6.1.D. The HOME Program does not allow this option.

7.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

7.1. AMENDMENTS

The Sponsor may make amendments to these Participant Guidelines. Any changes made shall be in accordance with federal and state regulations, shall be approved by the Sponsor's Loan Committee and/or local governing body and submitted to HCD for approval.

7.2. EXCEPTIONS

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

1. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its Program Operator may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's/Program Operator's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for decision.

8.0. DISPUTE RESOLUTION AND APPEALS PROCEDURES

8.1. PROGRAM COMPLAINT AND APPEAL PROCEDURE

Complaints concerning the Sponsor's Rehabilitation Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Sponsor's Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the local governing body. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

8.2. GRIEVANCES BETWEEN PARTICIPANTS AND CONSTRUCTION CONTRACTOR

Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances:

Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the

California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorney's fees and costs of arbitration.

ATTACHMENT A**24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS****24 CFR Part 5 Annual Income Inclusions****§5.609 Annual income.**

- (a) *Annual income* means all amounts, monetary or not, which:
- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
 - (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
 - (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
- (b) Annual income includes, but is not limited to:
- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
 - (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
 - (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
 - (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
 - (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);
 - (6) *Welfare assistance payments.*
 - (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:
 - (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
 - (B) Are not otherwise excluded under paragraph (c) of this section.
 - (ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - (B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably

reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See <https://www.federalregister.gov/documents/2014/05/20/2014-11688/federally-mandated-exclusions-from-income-updated-listing> for most recent notice]

(d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR LASSEN COUNTY
(HOME Value Limits as of 04/01/2018)**

COUNTY NAME	One-Family
LASSEN	\$165,000

**HOME SUBSIDY LIMITS PER UNIT FOR LASSEN COUNTY
(Limits are effective 6/4/2018)**

O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
\$147,074	\$168,600	\$205,017	\$265,228	\$291,136

**HOUSEHOLD INCOME LIMITS FOR LASSEN COUNTY*
(Limits are effective 06/1/2018)**

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$38,100	\$43,550	\$49,000	\$54,400	\$58,800	\$63,150	\$67,500	\$71,850

Sponsor will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained Value, Subsidy, and Income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml> (for HOME, choose "State CDBG and HOME Income, Value and Rent Limits")

SPONSOR STANDARDS FOR BEDROOM AND BATHROOM ADDITIONS TO ALLEVIATE OVERCROWDING

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2

8	4-BR	3
10	5-BR	3
12	6-BR	4

- Opposite sex children under 6 years of age may share a bedroom, up to 2 children per bedroom.
- Opposite-sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same-sex children of any age may share a bedroom, up to 2 children per bedroom.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom may be added.
- 8 or more people – a third bathroom may be added.
- Same rules apply to mobile home units.

The chart above is used as a guide to overcrowding.

ATTACHMENT D

HOUSING REHABILITATION MARKETING PLAN

SUMMARY

The Sponsor will continue its efforts to market the Housing Rehabilitation Program in a manner that will reach all community members.

All marketing related to the Housing Rehabilitation Program is publicized in both English and Spanish. All marketing materials include information identifying the Sponsor's commitment to fair housing laws and affirmative marketing policy, and are widely distributed. Equal opportunity is emphasized in written materials and oral presentations. A record is maintained by the Sponsor identifying what marketing materials are used, and when and where they are distributed.

Forms of marketing may include fliers, brochures, newspaper ads, articles and public service announcements. Fliers and brochures are distributed at local government buildings, other public buildings and through the mail, as well as to businesses that assist those not likely to apply without special outreach. Advertisements and articles are published in newspapers that are widely circulated within the community.

Established working relationships with local lending agencies also aid in informing the public by facilitating the distribution of informational fliers to households seeking financial assistance for repairs that are unable to obtain conventional financing.

Informational meetings are offered to potential participants to explain Program requirements. Often, minimal formal outreach efforts are required as the need for assistance generally exceeds funds available. However, marketing measures are actively performed in order to maintain a healthy interest list.

Characteristics on all applicants and participants are collected and compared with the Sponsor's demographics. Should the Sponsor find that there are underserved segments of the population, a plan to better serve them will be developed and implemented.

MARKETING FORMS

- Fliers
- Brochures
- Newspaper Ads and Articles
- Public Service Announcements
- Public Informational Meetings

MARKETING VENUES

- Local Government Buildings
- Local Public Services Buildings
- Private Businesses
- Lending Agencies
- Real Estate Offices
- Newspaper
- Radio
- Mail

ATTACHMENT E

RESIDENTIAL ANTI-DISPLACEMENT AND TEMPORARY RELOCATION PLAN Version 2

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require all grantees of Community Development Block Grant (CDBG) funds or Home Investment Partnership (HOME) funds to follow a written Residential Anti-displacement and Relocation Assistance Plan (Plan) for any activities which could lead to displacement of occupants whose property is receiving funds from these or other federal funding source. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the City of Susanville (Sponsor) with the requirements of federal regulations 24 CFR 570.606 under state recipient requirements and Section 104(d) of the Housing and Community Development Act of 1974 and 24 CFR 92 of the HOME federal regulations. The Plan will outline reasonable steps, which the Sponsor will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The Sponsor's governing body has adopted this plan via a formal resolution.

This Plan will affect rehabilitation activities funded by the U.S. Department of Housing and Urban Development (HUD) under the following program titles: HOME, CDBG, Urban Development Action Grant (UDAG), Special Purpose Grants, Section 108 Loan Guarantee Program, and such other grants as HUD may designate as applicable, which take place within the Sponsor's jurisdiction limits.

The Sponsor will provide permanent relocation benefits to all eligible "displaced" households either owner-occupied or renter-occupied units which are permanently displaced by the housing rehabilitation program (**See Section E below.**). In addition, the Sponsor will replace all eligible occupied and vacant occupiable low-income group dwelling units demolished or converted to a use other than low income group housing as a direct result of rehabilitation activities. This applies to all units assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and as described in the Federal Regulations 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance (URA) and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

All Sponsor programs/projects will be implemented in ways consistent with the Sponsor's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The Sponsor will provide equal relocation assistance available 1) to each targeted income group household displaced by the demolition or rehabilitation of housing or by the conversion of a targeted income group dwelling to another use as a direct result of assisted activities; and 2) to each separate class of targeted income group persons temporarily relocated as a direct result of activities funded by HUD programs.

A. Minimizing Permanent Displacement and Temporary Relocation Resulting from Housing Rehabilitation or Reconstruction Activities

Consistent with the goals and objectives of activities assisted under the Act, the Sponsor will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by HUD programs:

1. Provide proper notices with counseling and referral services to all tenants so that they understand their relocation rights and receive the proper benefits. When necessary assist permanently displaced persons to find alternate housing in the neighborhood.
2. Stage rehabilitation of assisted households to allow owner occupants and/or tenants to remain

during minor rehabilitation.

3. Encourage owner investors to temporarily relocate tenants to other available safe and sanitary vacant units on the project site area during the course of rehabilitation or pay expenses on behalf of replaced tenants.
4. Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation.
5. When necessary, use public funds, such as CDBG funds, to pay moving costs and provide relocation/displacement payments to households permanently displaced by assisted activities.

B. Lead Based Paint Mitigation Which Causes Temporary Relocation:

On September 15, 2000, the Final Rule for Lead Based Paint Hazard Control went into effect. Among other things, it requires that federally-funded rehabilitation must use safe work practices so that occupants and workers can be protected from lead hazards. **At no time should the tenant-occupant(s) be present in work areas or designated adjacent areas while LHC activities are taking place in any dwelling unit interior, common area, or exterior.** As such, occupants may not be allowed to remain in their units during the time that lead-based paint hazards are being created or treated. Once work that causes lead hazards has been completed, and the unit passes clearance, the occupants can return. **The tenant-occupants may not reoccupy a work area or adjacent area until post-lead hazard reduction clearance standards have been achieved and verified with laboratory results.** The final rule allows for certain exceptions: programs:

1. The work will not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
2. The work is on exterior only and openings are sealed to prevent dust from entering the home, the work area is cleaned after the work is completed, and the residents have alternative lead free entry; or
3. The interior work will be completed in one period of less than 8-daytime hours and the work site is contained to prevent the release of dust into other areas of the home; or
4. The interior work will be completed within five (5) calendar days, the work site is contained to prevent the release of dust, the worksite and areas within 10 feet of the worksite are cleaned at the end of each day to remove any visible dust and debris, and the residents have safe access to kitchen and bath and bedrooms.

If temporary relocation benefits are not provided because the Sponsor believes that the project meets one of the above criteria, then proper documentation must be provided in the rehabilitation project file to show compliance. It is up to the Sponsor to ensure that the owner occupant or tenant in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants (tenants or owners) will be strongly encouraged to relocate even for just a few days until a final lead clearance can be issued by a certified lead based paint assessor. Occupants who are temporarily relocated because of lead based paint mitigation are entitled to the same relocation benefits as those who are relocated because of substantial rehabilitation or reconstruction activities.

C. Temporary Relocation of Owner Occupants:

Owner occupants are not allowed to stay in units which are hazardous environments during lead based paint mitigation. When their home is having lead based paint mitigation work done which will not make it safe to live in, then they are eligible for temporary relocation benefits up to \$3,000, which

will be provided as a grant. In the same way, a unit requiring substantial rehabilitation (with or without lead based paint mitigation) which will not allow the family to access a bath or kitchen facility, or if the unit is being demolished and reconstructed, then the family will be eligible for temporary relocation benefits up to \$3,000, which will be provided as a grant. In no case shall the grant for temporary relocation exceed \$3,000 for any one owner occupant.

Owner occupants will be encouraged to move in with family or friends during the course of rehabilitation, since they are voluntarily participating in the Program. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will complete a temporary relocation benefits form (**See Appendix C**) to document that the owner occupant understands that they must relocate during the course of construction and what benefits they wish to be reimbursed for as part of their relocation.

D. Temporary Relocation of Residential Tenants:

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. The contract administrator or rehabilitation specialist will make determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value and they have the first right to move back into the original unit being rehabilitated at the same rent or lower. He or she may move in with family and friends and still receive full or partial temporary assistance based on eligible cost incurred. The housing rehabilitation loan specialist and/or the rehabilitation specialist will ensure that each tenant-occupied unit under the Program will receive a General Information Notice (GIN) (as soon as possible after a loan application is received) and the tenant will receive a Notice of Non-displacement (after loan approval), and each tenant-occupied unit will have a temporary relocation benefits form completed for them. (**See Appendix C**). These notices will document that each tenant understands what their relocation rights are, and if they must relocate during the course of construction, that they receive the proper counseling and temporary relocation benefits.

A tenant receiving temporary relocation shall receive the following:

1. Increased housing costs (e.g. rent increase, security deposits) and
2. Payment for moving and related expenses, as follows:
 - a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - b. Packing, crating, unpacking, and uncrating of personal property;
 - c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - f. The replacement value of property lost, stolen or damaged in the process of moving (not

through the fault of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available;

- g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
- h. Any costs of credit checks required to rent the replacement dwelling;
- i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - 1) Interest on a loan to cover moving expenses; or
 - 2) Personal injury; or
 - 3) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - 4) Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

E. Rehabilitation Activities Requiring Permanent Displacement

The Sponsor's rehabilitation program will not typically trigger permanent displacement and permanent displacement activities fall outside of the scope of this plan. If a case of permanent displacement is encountered, then the staff responsible for the rehabilitation program will consult with Sponsor's legal counsel to decide if they have the capacity to conduct the permanent displacement activity. If local staff does not have the capacity, then a professional relocation consultant will be hired to do the counseling and benefit determination and implementation. If local staff does wish to do the permanent displacement activity then they will consult and follow the HUD Relocation Handbook 1378.

F. Rehabilitation Which Triggers Replacement Housing

If the Sponsor's rehabilitation program assists a property where one or more units are eliminated then under Section 104 (d) of the Housing and Community Act of 1974, as amended applies and the Sponsor is required to replace those lost units. An example of this would be a duplex unit which is converted into a single family unit. In all cases where rehabilitation activities will reduce the number of housing units in the jurisdiction, then the Sponsor must document that any lost units are replaced and any occupants of reduced units are given permanent relocation benefits. (This does not apply to reconstruction or replacement housing done under a rehabilitation program where the existing unit(s) is demolished and replaced with a structure equal in size without in loss number of units or bedrooms.)

Replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the Sponsor to provide funds for an activity that will directly result in such demolition or conversion, the Sponsor will make this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submit to the California Department of Housing and Community Development or the appropriate federal authority the following information in writing:

- 1. A description of the proposed assisted activity;
- 2. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as targeted income group dwelling units as a direct result of the assisted activity;

3. A time schedule for the commencement and completion of the demolition or conversion;
4. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a targeted income group dwelling unit for at least 10 years from the date of initial occupancy; and,
7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of targeted income group households in the jurisdiction.

The Program Operator for the Sponsor is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The Sponsor is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in Section 570.606, to any targeted income group displaced by the demolition of any dwelling unit or the conversion of a targeted income group dwelling unit to another use in connection with an assisted activity.

G. Record Keeping and Relocation Disclosures/Notifications

The Sponsor will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable program regulations. Each rehabilitation project, which dictates temporary or permanent or replacement activities, will have a project description and documentation of assistance provided. (See sample forms in HUD Relocation Handbook 1378, Chapter 1, Appendix 11, form HUD-40054)

Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling.

Notices shall be written in plain, understandable primary language of the persons involved. Persons who are unable to read and understand the notice (e.g. illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The notices and process below is for only temporary relocation. If permanent relocation is involved then other sets of notice and noticing process and relocation benefits must be applied (See HUD relocation handbook 1378 for those forms and procedures) The Temporary Relocation Advisory Notices to be provided are as follows:

1. General Information Notice: As soon as feasible when an owner investor is applying for Federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house upon completion of rehabilitation. The tenant will be informed that the rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that the rehabilitation can be completed, suitable

housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons. **See Appendix A for sample notice to be delivered personally or by certified mail.**

2. Notice of Non Displacement: As soon as feasible when the rehabilitation application has been approved, the tenant will be informed that they will not be permanently displaced and that they are eligible for temporary relocation benefits because of lead based paint mitigation or substantial rehabilitation, or reconstruction of their unit. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance. **See Appendix B for sample notice to be delivered personally or by certified mail.**
3. Disclosure to Occupants of Temporary Relocation Benefits: This form is completed to document that the Sponsor is following it's adopted temporary relocation plan for owner occupants and tenants. **See Appendix C for a copy of the disclosure form.**
4. Other Relocation/Displacement Notices: The above three notices are required for temporary relocation. If the Sponsor is attempting to provide permanent displacement benefits then there are a number of other forms which are required. Staff will consult HUD's Relocation Handbook 1378 and ensure that all the proper notices are provided for persons who are permanently displaced as a result of housing rehabilitation activities funded by CDBG or other federal programs.

APPENDIX A

Dear _____,

On (date), (property owner) submitted an application to the _____ for financial assistance to rehabilitate the building which you occupy at (address).

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact (name), (title), at (telephone number), (address).

Sincerely,

(name)

(title)

APPENDIX B

(date)

Dear _____:

On (date), we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On (date), the owner's request was approved, and the repairs will begin soon.

This is a notice of non-displacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment [or another suitable, decent, safe and sanitary apartment in the same building/complex] upon completion of the rehabilitation. Your monthly rent will remain until after construction is completed. If increased after construction is done, your new rent and estimated average utility costs will not exceed local fair market rents for your community. Of course, you must comply with all the other reasonable terms and conditions of your lease.
2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact (name), (title), at (phone #), (address). Remember; do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

ATTACHMENT F

LOAN SERVICING POLICIES AND PROCEDURES FOR THE CITY OF SUSANVILLE

The City of Susanville, hereafter called "Sponsor," has adopted these policies and procedures in order to preserve its financial interest in properties, whose "Borrowers" have been assisted with public funds. The Sponsor will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Sponsor has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Sponsor will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly date.

For Notes which are deferred payment loans, the Sponsor must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Sponsor as loss payee. Except for HOME-funded loans, if Borrower fails to maintain the necessary insurance, the Sponsor may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year floodplain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance naming the City as a lender loss payee will be required at close of escrow. The Sponsor will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the Sponsor may pay the taxes current and add the

balance of the tax payment plus any penalties to the balance of the loan (not permissible when funded with HOME). Wherever possible, the Sponsor encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Sponsor's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Sponsor's loan. This document requires any senior lienholder listed in the notice to notify the Sponsor of initiation of a foreclosure action. The Sponsor will then have time to contact the Borrower and assist them in bringing the first loan current. The Sponsor can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans the Sponsor may require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. On HOME-funded loans, annual occupancy verification will occur within 45 days of the anniversary date of the loan.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Sponsor in writing of any change. Sponsor and Borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the Sponsor. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Sponsor's Loan Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Sponsor's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Sponsor allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; or 4) default on senior loans, the Sponsor will send out a letter to the Borrower notifying them of the default situation. If the default situation continues, the Sponsor may start a formal process of foreclosure.

When a senior lienholder starts a foreclosure process and the Sponsor is notified via a Request for Notice of Default, the Sponsor, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Sponsor must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case, then the Sponsor may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Sponsor determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Sponsor does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Sponsor can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of

Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

Sponsor as Senior Lienholder

When the Sponsor is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Sponsor?
- 3) Can the Borrower sell the property and pay off the Sponsor?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances. (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Sponsor may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Sponsor to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Sponsor of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Sponsor informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Sponsor could contract with a local real estate broker to list and sell the home and use those funds for Program income-eligible uses.

ATTACHMENT G

CITY OF SUSANVILLE'S FORECLOSURE POLICY

Sponsor As Junior Lienholder

It is the City Of Susanville's (Sponsor's) policy to prepare and record a "Request for Notice" on all junior liens (any lien after the first position) placed on properties financed by a loan.

This document requires any senior lienholder to notify the Sponsor of initiation (recording of a "Notice of Default") of a foreclosure only. This is to alert the junior lienholder that they are to monitor the foreclosure with the senior lienholder. When the Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it would be in their best interest to contact both senior lienholders regarding the status of their loans.

The junior lienholder may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges, advances (fire insurance premiums, property taxes, property protection costs, etc.), and foreclosure costs (fees for legal counsel, recordings, certified mail, etc.)

Once the Sponsor has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior lienholder, keeping them current by submitting a monthly payment thereafter, foreclosing on the property possibly resulting in owning the property at the end of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the home for marketing, paying for yard maintenance, paying a real estate broker a sales commission).

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

Sponsor As Senior Lienholder

When the Sponsor is in a first position, or the senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor staff will consider the following factors before initiating foreclosure:

- Can the loan be cured (brought current or paid off) by the owner without foreclosure?

- Can the owner refinance with a commercial lender and pay off the Sponsor?
- Can the owner sell the property and pay off the Sponsor?
- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Sponsor may opt to initiate foreclosure. The owner must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Sponsor to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Sponsor of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Sponsor informed of the progress of the foreclosure proceedings. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor would then contact a real estate broker to market the home.

ATTACHMENT H

CERTIFICATION OF OCCUPANCY

THE CITY OF SUSANVILLE

I/we _____ declare as follows:
(Please Print Occupant's Name(s))

That I/we am/are currently occupying as my/our principal place of residence
the real property commonly known as:

(Address)

(City, State, Zip code)

Daytime Phone Number: _____

Executed on _____, 20____, at _____, CA
(Date) (City)

I/we declare under penalty of perjury that the foregoing is true and correct.

Signature(s) of all occupants:

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

ATTACHMENT I

LEAD-BASED PAINT

VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:		No LBP found or LBP exempt <input type="checkbox"/>	
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>
Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.			
Visual Assessment Date:		Report Date:	
Check if no deteriorated paint found <input type="checkbox"/>			
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers and common areas and building components (including type of room or space, and the material underneath the paint).			
Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.			
Date of Presumption Notice:			
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>			
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and or building components (including type of room or space, and the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.			
Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.			
Date of Hazard Reduction Notice:			
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>		Start & Completion Dates:	
If "No", dates of previous Hazard Reduction Activity Notices:			
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and the types of lead-based paint hazard reduction activities performed at the location listed.			

Attachment D: Location of building components with lead-based paint remaining in the rooms, spaces or areas where activities were conducted.

Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity and Acknowledgement of Receipt of pamphlet *Protection Your Family from Lead in Your Home*.

Printed Name:
Date:

Signature:

Section 6: Contact Information

Organization:

Contact Name:

Contact Signature:

Date:

Address:

Phone:

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RESOLUTION NO. 15-5149

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
APPROVING PROGRAM GUIDELINES FOR COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM INCOME AS REQUIRED BY THE FEDERAL RULES
GOVERNING THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND
AUTHORIZING SUBMITTAL TO THE STATE OF CALIFORNIA DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, the City of Susanville received funding from the State of California Department of Housing and Community Development Block Grant Program; and

WHEREAS, repayments of grant-funded loans have resulted in income to the Community Development Block Grant Revolving Loan Fund; and

WHEREAS, Federal regulations and the State Department of Housing and Community Development required that all jurisdictions receiving program income adopt a Program Reuse Plan to establish and govern the use of these funds; and

WHEREAS, the Program Reuse Plan was adopted by the City on October 1, 2014, and Program Guidelines are now required for any Revolving Loan Fund or Program Activity Waiver applied for; and

WHEREAS, upon approval by City Council, the Program Guidelines must be submitted to the State for review and approval prior to expending funds; and

WHEREAS, attached hereto as Exhibit "A", and incorporated herein by reference is the document titled City of Susanville Homeownership Assistance Program Guidelines; and

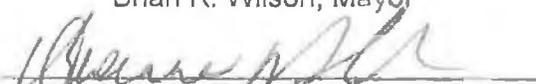
WHEREAS, the City Council of the City of Susanville reviewed and considered the Program Guidelines and does hereby find that the Homeownership Assistance Program would be in the best interests of the citizens of the City of Susanville.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville hereby approves the City of Susanville Homeownership Assistance Program Guidelines and authorizes submittal to the State Department of Housing and Community Development.

APPROVED. _____


Brian R. Wilson, Mayor

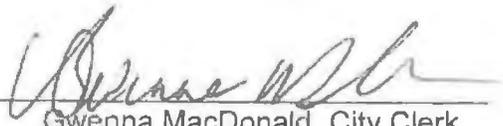
ATTEST: _____


Gwenna MacDonald, City Clerk

The foregoing Resolution No. 15-5149 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 18th day of March, 2015 by the following vote:

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AYES: De Boer, Garnier, McBride, Callegari and Wilson
NOES: None
ABSENT: None
ABSTAINING: None


Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
City Attorney

City of Susanville

Homeownership Assistance Program Guidelines



For:

**Community Development Block Grant (CDBG)
Program**

Serving the City of Susanville

**CDBG Approved: March 23, 2015
Council Approved: March 18, 2015**

HOMEOWNERSHIP ASSISTANCE PROGRAM GUIDELINES

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CITY OF SUSANVILLE

HOMEOWNERSHIP ASSISTANCE PROGRAM GUIDELINES

1.0. GENERAL

The above-named entity, hereinafter referred to as the “Sponsor,” has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded Homeownership programs. The Homeownership program described herein (the “Program”) is designed to provide assistance to eligible homeowners in purchasing homes, also referred to herein as “housing units”, located within the Program’s eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homeowners as their primary residence.

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The City will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor Homeowner classes to help educate Homeowners about the home buying process and future responsibilities. Persons who have participated in local homeowner seminars will be notified about the Program.
- B. The City will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homeowners, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. The City maintains a waiting list of applicants. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Completed applications are processed on a first-come-first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.

- B. Once the applicant's name comes to the top of the waiting list, their Program eligibility is confirmed and they are invited to a briefing regarding participation in the Program. At the briefing the application is reviewed and the potential homeowner is given a "Preliminary Eligibility Letter" for the Program along with the following forms: Program Brochure, Attachment (G) Instructions to Home Buyer, List of Participating Lenders, Attachment (E) Sellers Lead-Based Paint Disclosure and the EPA Booklet (Protect Your Family from Lead in Your Home) and (F) Notice to Seller.

If the City encounters material discrepancies and/or misrepresentations, and/or there is income, asset, household composition, or other important questions that can't be resolved, the City reserves the right to deny assistance to the household.

- C. The potential homeowner is given 90 days in order to find a qualified home and begin securing a primary loan for the housing unit. If during the 90-day time frame, the potential homeowner is unable to purchase a home, an extension may be given. However, if it appears the potential homeowner cannot participate in the Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homeowner's finances to determine how much the homeowner could afford to borrow from the primary lender towards homeownership.

**DEBT SERVICE
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH**

HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS	
Principal & Interest Payment	\$ 865	\$1,180	Housing
Insurance	82	<u>+200</u>	<u>Other Debt Service</u>
Taxes	<u>233</u>	\$1,380	Total Debt Service
Total Housing Expense	\$1,180	(Overall debt service per month is 41% of \$3,388) (PITI is 35% of \$3,388)	

OTHER HOUSEHOLD DEBT SERVICE

Car Payment	\$ 150
Credit Card Payment	<u>50</u>
Total Other Debt	\$ 200

A \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30 year term.

**SUBSIDY CALCULATION
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH**

Purchase Price of Property	\$ 280,000
Less Primary loan amount	<u>143,000</u>
Less down payment of 1%	<u>2,800</u>
 Equals "GAP"	 \$ 134,200
 Plus estimated allowable settlement charges	 <u>8,400</u>
 Equals Total Subsidy	 \$ 142,600

B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:

- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
- 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
- 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards.
- 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);
- 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;

- 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for four months prior to submission of the purchase offer.
 - 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.
- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to the City. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. The City verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
 - D. The City determines Applicant's approval or denial, and notifies Applicant. The City provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
 - E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.
 - F. At the time of escrow closing, the City of Susanville shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the City of Susanville as insured is also required.

1.4. HOMEOWNER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the City. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.
- B. Homebuyer must contribute a minimum down payment of one-half to three percent (.05-3%) of the purchase price as recommended by the City, but may contribute more if desired.
- C. City will not provide more than fifty percent (50%) of the purchase price. The subsidy will write down the cost of the primary lender's loan so that the payments of PITI are within approximately 30 to 35% of the gross household income. The City will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program.

1.5. HOMEOWNER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homeowner with informative homeowner education training, can

bring success to the City of Susanville's First Time Homebuyer Program and most importantly, the homeowner. It has been documented that first-time Homeowners that have had homeowner education have the ability to handle problems that occur with homeownership. Program participants may be required to attend a City-approved homeowner education class. The homeowner education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homeowner counseling and education may include, but are not limited to: one-on-one counseling between homeowner, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.6. CONFLICT OF INTEREST REQUIREMENTS

When the City's program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 570.611 shall be followed for CDBG assistance.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the City's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD. (Attachment C).

Household: Means one or more persons who will occupy a housing unit. Unborn children do count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/fa/cdbg/GuidcFedPrograms.html>, will be followed to independently determine and certify the household's annual gross income. The City should compare this annual gross income to the income the Primary Lender used when qualifying the household.

The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

The link to Annual Income Inclusions and Exclusions is:

[http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixB AnnualIncomeInclusionsExclusions.doc](http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixB%20AnnualIncomeInclusionsExclusions.doc)

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets, however, is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings, and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

The Link to Asset Inclusions and Exclusions is:

[http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixC AnnualIncomeAssetInclusionsExclusions.doc](http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixC%20AnnualIncomeAssetInclusionsExclusions.doc)

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

For CDBG, an eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning

to sell the unit as part of buying a home located on real property. Documentation of homebuyer status will be required for all s homebuyers. CDBG-funded programs may assist eligible homebuyers who are not “first-time” homebuyers.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: “Within the City of Susanville.”
- B. Housing unit types eligible for the Homeownership Program are new or previously owned single-family residences; condominiums; or manufactured homes in mobile home parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system.
- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100 year flood zone will be required to provide proof of flood insurance with an endorsement naming the City as loss payee in order to close escrow.
- E. Housing must be “modest”, so it may not exceed three bedrooms and two bathrooms unless there are documented extenuating circumstances (e.g. it would create an overcrowding situation, there is not a reasonable inventory of homes of this size, etc.) and the City of Susanville’s Loan Committee approves the exception request.

3.2. CONDITIONS

A. Construction Inspection and Determining Need for Repairs:

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) When the City’s Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C will apply.
- 2) The City and a certified housing inspector, will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the s homebuyers and their Realtor to be negotiated with the seller.

If there are one or more health and safety deficiencies, and/or violations of applicable building codes noted in the written report, the City will approve the subsidy only if:

- a. Repair prior to close of escrow. The buyer and seller agree to make necessary repairs to the dwelling unit prior to transfer of property ownership at their own expense; or
 - 3) Upon completion of all work required by the City, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.
 - 4) Any work to be completed after purchase will be undertaken in accordance with HCD-approved housing rehabilitation program guidelines.
- B. Lead-Based Paint Hazards: All housing units built prior to 1978 for which CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

- 1) **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet "*Protect Your Family From Lead in Your Home*". (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the City's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment H).
- 2) **Disclosure:** Prior to the homeowner's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer.
- 3) **Inspections:** The Inspector shall conduct a "Visual Assessment" of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the City shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.

- C. The City will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser's file (see Attachment I).

3.3. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with City's relocation plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including CDBG) is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a CDBG assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.4. PROPER NOTIFICATION AND DISCLOSURES

- A. Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.
- B. All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded

programs).

4.0. THE PRIMARY LOAN

Prior to obtaining a loan from the City, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the “primary loan”).

A. QUALIFYING RATIOS

The front-end (housing) debt-to-income ratio shall be between 26% and 35% and is the percentage of a borrower’s gross monthly income (before deductions) that would cover the cost of the loan principal and interest payment, property taxes, property insurance, mortgage insurance, and HOA dues, if any.

The back-end (total) debt-to-income ratio shall be between 29% and 40% and is the percentage of a borrower’s gross monthly income that would cover the cost of housing as described in the paragraph above, plus any other monthly debt payments like car or personal loans and credit card debt, as well as child support and alimony payments.

B. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA. No temporary interest rate buy-downs are permitted.

C. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term “all due and payable” in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

D. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

5.0. THE PROGRAM LOAN

A. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

The amount of Program assistance to a homebuyer toward purchase of a home shall not exceed 50% of the total indebtedness.

B. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan.

C. AFFORDABILITY PARAMETERS FOR HOMEOWNERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.0.A.. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The City will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus closing costs) less down payment, and the amount of the primary loan.

D. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL).

The Program loan's term shall be for 30 years.

The Program loan's interest rate shall be 3% simple interest.

All Program loan payments can be deferred to allow borrowers to have their repayment ability fully utilized under the primary loan. Loan principal shall not be forgiven, and the loan period cannot be extended.

E. COMBINED LOAN-TO-VALUE RATIO

The loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price plus a maximum of up to 5 percent of the sales price to cover actual closing costs.

6.0. PROGRAM LOAN REPAYMENT

6.1. EARLY PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time.

6.2. RECEIVING LOAN PAYMENTS

A. Program loan payments will be made to:

City of Susanville
66 North Lassen Street
Susanville, CA 96130

B. The City will be the receiver of loan payments or recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the City's Program Income Account, as required by HCD programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the City. The City may, at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the

Program.

6.3. DUE UPON SALE OR TRANSFER

In the event that an owner sells, transfers title, or discontinues residence in the purchased property for any reason, the principal balance of the DPL is due and payable, except:

- A. The owner shall be assured a fair return on investment including the owner's investment and any capital improvement. If the Net proceeds are insufficient for the City to recapture the balance of Program Loan owed, the City shall share the Net proceeds with the owner in proportion to each party's investment in the property. The Net proceeds are the sales price less repayment of the primary loan, and closing costs.
- B. If the owner of the property dies, and the heir to the property meets income requirements, the First-Time Homeowner definition, and intends to occupy the home as a principal residence, the heir may be permitted, upon approval of the City, to assume the loan at the rate and terms the heir qualifies for under the current participation guidelines. If the property owner dies and the heir does not meet eligibility requirements, the loan is due and payable.
- C. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.
- D. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

6.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

6.5. LOAN MONITORING PROCEDURES

City will monitor Borrowers and their housing units to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans and Secondary loans
- E. General upkeep of housing units

7.0. PROGRAM LOAN PROCESSING AND APPROVAL

A. Loan Processing

All s homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the City's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the City's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the City and documentation of such maintained in the loan file. The City may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homeowner's application packet, the City will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the City will do an income certification (using most recent HCD program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit

report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

7.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed the City will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

7.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth In Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

7.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

8.0. SUBORDINATE FINANCING

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

9.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The City may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the City's Loan Committee. Changes shall then be sent to HCD for approval.

9.1. DEFINITION OF EXCEPTION

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

9.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The City or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the City's recommended course of action and any written or verbal information supplied by the applicant.
- B. The City shall make a determination of the exception and the request can be presented to the City's loan committee and/or governing body for a decision.

10.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. The appeal must be in writing. The City has thirty (30) working days to review the appeal, seek recommendations from the loan committee and respond in writing to the applicant. If the applicant is not satisfied with the decision, a request for an appeal may be filed with the City's governing body. Final appeal must be filed in writing with HCD within one year after denial.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).

3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:</p> <ul style="list-style-type: none"> ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977; ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▶ Payments received under the Alaskan Native Claims Settlement Act; ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▶ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted

lands, including the first \$2,000 per year of income received by Individual Indians from funds derived from interests held in such trust or restricted lands;

- ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs;
- ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program);
- ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- ▶ Earned Income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 -- Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

INCOME LIMITS FOR LASSEN COUNTY* (Limits are effective 2015)

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$38,050	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000	\$67,350	\$71,700

* City will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is:
<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>

ATTACHMENT D

LOAN SERVICING POLICIES AND PROCEDURES FOR City of Susanville

The City of Susanville, hereafter called "Lender," has adopted these policies and procedures in order to preserve its financial interest in properties, whose "Borrowers" have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes (or Lender will use a third party loan collection Company to collect payments). Late fees will be charged for payments received after the assigned monthly due date.

For Notes, which are deferred payment loans, the Lender must accept voluntary payments on the loan. Loan payments will be credited to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a junior lien. If borrower fails to maintain the necessary insurance, the Lender may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the City as additional insured will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans, the Lender will require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Some loans may have income and housing cost evaluations, which require a household to document that they are not able to make amortized loan payments, typically every five years. These loan terms are incorporated in the original Note and Deed of Trust.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Lender. The Lender will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means that there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate, and the total indebtedness on the property should not exceed the current market value.

Also, provisions of Section 5.0.B and 5.0.C of these guidelines still apply, which state that the loan must:

- a) Be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
- b) Not have a temporary interest rate buy-down;
- c) Have a term "all due and payable" in no fewer than 30 years; and,
- d) Not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the City of Susanville's Loan Committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lien holder

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

1. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
2. Can the Borrower refinance with a private lender and pay off the Lender?
3. Can the Borrower sell the property and pay off the Lender?
4. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
5. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds

required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homeowner program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

ATTACHMENT E
SELLERS LEAD-BASED PAINT DISCLOSURE
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

- (ii) ___ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) ___ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

- (ii) ___ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) ___ Purchaser has received copies of all information listed above.
- (d) ___ Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.
- (e) ___ Purchaser has (check (i) or (ii) below):
- (i) ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (ii) ___ waived the opportunity to conduct a risk assessment or inspection for the presence of Lead-based paint and/or lead-based paint hazards (NOT PERMISSIBLE FOR HOME AND CDBG).

Agent's Acknowledgment (initial)

- (f) ___ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

ATTACHMENT F

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer

DECLARATION

This is to inform you that _____ would like to purchase the property, located at _____, if a satisfactory agreement can be reached. We are prepared to pay \$ _____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, _____ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor _____ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$ _____ and was estimated by _____ to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at:

_____. If you have any questions about this matter, please contact _____ at _____.

Sincerely,

Title

Buyer

Date

Buyer

Date

Form continues on next page with Seller's Acknowledgment

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer (Page 2)

Acknowledgement

As the Seller I/we understand that the _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the City's program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

Vacant at least 3 months; Owner-occupied; New; or Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

ATTACHMENT G

City of Susanville

INSTRUCTIONS TO HOMEOWNER

- A. Participant works with lender of choice to obtain the primary lender's pre-qualification letter.
- B. After consultation with City regarding approved bedroom and bathroom maximums (always 3 bedrooms and 2 bathrooms unless extenuating circumstances justify more to be approved), participant works with real estate agent to select home. Program disclosures are reviewed with agent for presentation to seller.
- C. Participant selects home and enters into a purchase contract (contingent upon receiving Program loan approval). Lender provides the City with a copy of:
 - real estate sales contract
 - residential loan application and credit report
 - verified income documentation
 - disclosure statement
 - proof of personal funds for participation in program
 - breakdown of closing costs
 - structural pest control clearance
 - appraisal with photos and preliminary title report
- D. The City reviews paperwork to determine program eligibility and financing affordability for participant.
- E. The City staff meets with qualified applicant to provide information relative to the program requirements, the lending process, and homeownership responsibilities.
- F. The City has home inspected to document health & safety and code compliance. Notice of any deficiencies or needed corrections are given to participant's real estate agent, with recommended course of action.
- G. The City of Susanville's Loan Committee will review loan application and supporting documents, and if all documentation is in order approve loan. Following loan approval, the City prepares Deed of Trust, Promissory Note, Request for Notice of Default, Grant Agreement, Owner-Occupant Agreement with City and Escrow Instructions, and requests check and deposits same into escrow.
- H. Escrow company furnishes City with proof of documents to be recorded, and any escrow closeout information. After receipt of recorded loan documents, Final HUD-1, Insurance Loss Payee Certification and Final Title Insurance Policy () (City) closes out the loan file.

**ATTACHMENT H
LEAD-BASED PAINT**

VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:		No LBP found or LBP exempt <input type="checkbox"/>	
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found.	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption:	

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types.	
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information		Organization:	
Contact Name:		Contact Signature:	
Date:	Address:	Phone:	

ATTACHMENT I

Homeownership Assistance Program Lead Compliance Document Checklist

The following documents should be in each homeowner unit file to document compliance with the lead requirements:

Document Name	Purpose	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

<http://www.hud.gov/offices/cpd/affordablehousing/training/leadsafe/usefulforms/index.cfm#crosscutting>

STANDARD CONTRACT LANGUAGE:
ALL CONTRACTS AND SUBCONTRACTS

1. The Civil Rights, HCD, and Age Discrimination Acts Assurances:
During the performance of this Agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, or handicap, under any program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, and the Age Discrimination Act of 1975, and all implementing regulations.
2. Rehabilitation Act of 1973 and the "504 Coordinator"
The Grantee further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR Part 8, including, but not limited to, for Grantees with 15 or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator".
3. The Training, Employment and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance:
 - a) The grant activity to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR 135.34(a)(2).
 - b) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
 - c) The Grantee will include these Section 3 clauses in every contract and subcontract for Work in connection with the grant activity and will, at the direction of the State, take appropriate action pursuant to the contract or subcontract upon a finding that the Grantee or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless the Grantee or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
 - d) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the project, binding upon the Grantee, its successors and assigns. Failure to fulfill these requirements shall subject the Grantee, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

4. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or more

The Grantee hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Grantee furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

5. State Nondiscrimination Clause:

a) During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40) marital status, and denial of family care leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Contractors and subcontractors shall comply with the provisions of the Housing Act (Government Code, Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7258 et seq.) The applicable regulations of the Fair Employment and Housing Commission implementing Government Regulations, are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

b) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

6. Labor Standards –Federal Labor Standards Provisions

The Grantee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

Davis-Bacon Act (40 USC 276a-276a-5) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of Federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

Copeland “Anti-Kickback” Act (47 USC 276(c)) requires that workers be paid at least once a week without any deductions or rebates except permissible deductions.

Contract Work Hours and Safety Standards Act - CWHSSA (40USC 327-333) requires that workers receive “overtime” compensation at a rate of 1-1/2 times their regular hourly wage after they have worked 40 hours in one week.

Title 29, Code of Federal Regulations, Subtitle A, Parts 1, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

NOTICE TO OWNER

"Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor's subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "Preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

TO INSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

- (1) Require that your contractor supply you with a payment and performance bond (not a license bond), which provides that the bonding company will either complete the project or pay damages up to the amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for your further protection. The payment and performance bond will usually cost from 1 to 5 percent of the contract amount depending on the contractor's bonding ability. If a contractor cannot obtain such bonding, it may indicate his or her financial incapacity.
- (2) Require that payments be made directly to subcontractors and material suppliers through a joint control. Funding services may be available, for a fee, in your area which will establish voucher or other means of payment to your contractor. These services may also provide you with lien waivers and other forms of protection. Any joint control agreement should include the addendum approved by the registrar.
- (3) Issue joint checks for payment, made out to both your contractor and subcontractors or material suppliers involved in the project. The joint checks should be made payable to the persons or entities which send preliminary notices to you. Those persons or entities have indicated that they may have lien rights on your property; therefore, you need to protect yourself. This will help to insure that all person due are actually paid.
- (4) Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier, subcontractor, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the "Waiver and Release" forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by the individuals, the person signing these releases lose the right to file a mechanics' lien

claim against your property. In other types of construction, this protection may still be important, but may not be as complete.

To protect yourself under this option, you must be certain that all material suppliers, subcontractors, and laborers have signed the "Waiver and Release" form. If a mechanics' lien has been filed against your property, it can only be voluntarily released by a recorded "Release of Mechanics' Lien" signed by the person or entity that filed the mechanics' lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and all such liens are removed. You should consult an attorney if a lien is filed against your property."

Read and acknowledged:

Signature

Dated

Signature

Dated

ATTACHMENT I

CITY OF SUSANVILLE

CONSTRUCTION PAYMENT REQUEST # _____

Date _____

Participant _____ Project _____ Job # _____

Project Address _____

Total Contract Amount \$ _____ Payment Amount \$ _____

Contractor: _____ Construction Supervisor: _____

Items Completed:

I request payment for work in progress on the above property. I certify that the work itemized above has been completed as of this date.

Contractor's Signature _____ Date

NOTE: Ten percent (10%) of the total contract amount (including all change orders) will be retained by City of ADD NAME until 35 days after Notice of Completion is recorded.

The items listed above have been completed satisfactorily.

Please release payment to Contractor as requested (or amended). OWNER'S SIGNATURE
DATE _____

APPROVED FOR PAYMENT: _____

City Building Inspector

Mail

Pick-up

DATE

NOTES:

DISTRIBUTION: WHITE: City Building Department **YELLOW:** Owner **PINK:** Contractor **GOLDENROD:** Supervisor

Reviewed by:  City Administrator

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted By: Deborah Savage, Finance Manager

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 19-5681** Authorizing the Issuance of Series 2019 Water Revenue Refunding Bonds and Series 2019 Natural Gas Revenue Refunding Bonds and Approving the Forms of and Authorizing and Directing Execution and Delivery of Indentures, Bond Purchase Agreement, Irrevocable Refunding Instructions and Continuing Disclosure Certificate; Approving the Form of the Official Statement and the Distribution Thereof; and Providing for Other Matters Properly Related Thereto

PRESENTED BY: Deborah Savage, Finance Manager

SUMMARY: The City has heretofore provided for the issuance of (i) Susanville Public Financing Authority (as the conduit issuer), 2010 Refunding Revenue Bonds, Senior Series A, in the original aggregate principal amount of \$9,700,000 (the "Series 2010A Bonds"), and (ii) Susanville Public Financing Authority (as the conduit issuer), 2010 Refunding Revenue Bonds, Subordinate Series B, in the original aggregate principal amount of \$25,160,000 (the "Series 2010B Bonds," and together with the Series 2010A Bonds, the "Prior Bonds").

The Prior Bonds bear interest at rates ranging from approximately 2.50% to 6.00%, and have a final maturity date of June 1, 2036 for the Series 2010A Bonds and June 1, 2045 for the Series 2010B Bonds. The Prior Bonds may now be prepaid and refunded (i.e., replaced with another bond issue) with no penalty on any date, upon 30 days' notice to the present bondholder.

The current bond market provides an opportunity for the City to refinance the Prior Bonds to a lower interest rate in order to reduce the cost of debt service payable by the City (this process is hereafter referred to as a "Refunding"). Much like refinancing a home mortgage, this Refunding will provide a substantial net (after all costs and expenses) savings on the interest accrued over the life of the bonds, which is a direct benefit to the City and its ratepayers.

The City can accomplish the Refunding of the Prior Bonds by issuing new City of Susanville Series 2019 Water Revenue Refunding Bonds (the "2019 Water Bonds"), pursuant to an Indenture of Trust (the "Water Indenture"), between the City and the Finance Manager of the City of Susanville (the "Trust Administrator") and City of Susanville Series 2019 Natural Gas Revenue Refunding Bonds (the "Refunding Bonds"), pursuant to an Indenture of Trust (the "Natural Gas Indenture," and together with the Water Indenture, the "Indentures") between the City and U.S. Bank National Association, as trustee (the "Trustee") to take the place of the Prior Bonds. The final maturity of the Refunding Bonds will match (or be less than) the final maturity of the respective Prior Bonds. The proceedings do not require a public hearing or a rate increase, and there is no provision for public protest. The reason for this is that the Refunding saves the City and its ratepayers money without increasing (i) its annual obligation, (ii) its overall principal obligation, or (iii) the existing final maturity dates of the respective Prior Bonds.

There are several steps/documents that need to be authorized/approved by the Council which are contained in the subject Resolution attached to this agenda report.

SUMMARY OF DOCUMENTS: The subject resolution authorizes and approves the forms of the Indentures necessary to provide for the issuance of the Refunding Bonds. (Please note that the Council took action at its July 17th meeting to approve the forms of the Indentures, but due to the 2019 Water Bonds now being sold to Banner Bank instead of being sold on a publicly offered bases, several changes have been made, and bond counsel recommends that Council reconsider and reauthorize both Indentures. The subject resolution also authorizes and approves the form of the Preliminary Official Statement-relating to the 2019 Natural Gas Bonds, the Continuing Disclosure Certificate-relating to the 2019 Natural Gas Bonds, the Irrevocable Refunding Instructions-relating to the prepayment and defeasance of the Prior Bonds, and the and the Bond Purchase Agreement-relating to the 2019 Natural Gas Bonds (collectively, the "Financing Documents").

The adoption of the Resolution is necessary for the financing team to move forward with completing the appropriate documentation and credit analysis before entering the market and locking interest rates.

The 2019 Water Bonds will be repaid from Net Revenues of the Water Enterprise, and the 2019 Natural Gas Bonds will be repaid from Net Revenues of the Natural Gas Enterprise. "Net Revenues" means for any Fiscal Year (or other designated twelve (12) calendar month period), the Gross Revenues (i.e., all revenues generated by either the Water Enterprise or the Natural Gas Enterprise, as the case may be) during such Fiscal Year (or designated twelve (12) calendar month period) less the Operation and Maintenance Costs of such enterprise during such period.

The proposed Refunding Bonds are to be issued as limited obligation bonds, payable only from Net Revenues, and therefore the City's general fund (and other funds) will be not be exposed to repayment risk.

Please note that the Financing Documents are being presented to the Council as form documents, as they cannot be fully completed at this time because certain critical components such as private placement and public offering details, interest rates and annual debt service payments will depend on the state of the bond market at the time that each transaction is actually priced (i.e., sold to the Underwriter and/or rate locked with Banner Bank). This method of approval is the normal method of approving a bond issue in California. The Financing Documents are each briefly described below:

1. Water Indenture: This is an agreement which sets forth the covenants and specifics of the 2019 Water Bonds, including the flow of funds, prepayment provisions, establishment and management of the reserve fund and all other funds and accounts, the City's and Trust Administrator's duties, repayment mechanisms and the 2019 Water Bond owners' rights and remedies. The Water Indenture also requires the City to maintain Net Revenues in excess of 125% of total annual debt service on the 2019 Water Bonds and any new parity debt that may be issued in the future.
2. (Natural Gas Indenture): This is an agreement which sets forth the covenants and specifics of the 2019 Natural Gas Bonds, including the flow of funds, prepayment provisions, establishment and management of the reserve fund and all other funds and accounts, the City's and Trustee's duties, repayment mechanisms and the 2019 Natural Gas Bond owners' rights and remedies. The Indenture also requires the City to maintain Net Revenues in excess of 125% of total annual debt service on the 2019 Natural Gas Bonds and any new parity debt that may be issued in the future.
3. Refunding Instructions: These are refunding instructions pursuant to which the proceeds of the Refunding Bonds (together with the Prior Bonds Reserve Fund, as well as all other funds on hand

with the Prior Bonds trustee) will be irrevocably deposited in the Escrow Funds, and used exclusively for the purpose of prepaying the Prior Bonds in full on December 1, 2019 (being the first possible call date).

4. Preliminary Official Statement: As a necessary prerequisite to the public marketing and selling of the 2019 Natural Gas Bonds, a preliminary official statement for the 2019 Natural Gas Bonds (“Preliminary Official Statement”) has been prepared by The Weist Law Firm, as Disclosure Counsel to the City, with the help of the Underwriter and City staff. This document describes the City, the Refunding, the Natural Gas Enterprise, the Refunding Bonds, the relevant Financing Documents, and the risk factors associated with an investment in the 2019 Natural Gas Bonds. The Preliminary Official Statement is the central source of information to potential bond buyers, and as such it is essential that the information be accurate and complete. Once the Bond Purchase Agreement (described below) is executed, the final pricing detail will be used to fill in the blanks of the Preliminary Official Statement, which will then be used as the basis for the final Official Statement.

Important Information about Securities Disclosure: The Preliminary Official Statement has been reviewed and approved for transmittal to the Council by staff and the financing team. The City Council is responsible for ensuring that the Preliminary Official Statement includes all facts that would be considered material to an investor in the respective 2019 Natural Gas Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell 2019 Natural Gas Bonds. Members of the Council are encouraged to review e Preliminary Official Statement and/or question staff and consultants to make sure they feel comfortable that it includes all material facts.

5. Bond Purchase Agreement: The Bond Purchase Agreement is an agreement between the City and Westhoff, Cone & Holmstedt (the “Underwriter”), which provides the terms and conditions for the sale of the 2019 Natural Gas Bonds by the City to the Underwriter, and once signed, locks in the final terms and interest rates with respect to the 2019 Natural Gas Bonds.

6. Continuing Disclosure Certificate: The Continuing Disclosure Certificate is an agreement between the City and the Dissemination Agent pursuant to which the City is obligated to make certain secondary market disclosures on an annual basis with respect to the 2019 Natural Gas Bonds in order to comply with securities regulations pertaining to publicly offered bonds.

TIMING: If Council adopts the subject resolution, City staff and financing team will finalize all remaining legal and disclosure documents, and then close the transactions on or about September 5th.

FISCAL IMPACT: In today's low interest rate environment, the City can significantly reduce the interest cost associated with the 2 separate issues of Prior Bonds by refunding such debt at lower interest rates, thereby saving the City money each year without extending the length of the term of the debt. The City's financing team will be presenting the financing details at the time of the meeting, and will be available to answer any questions the Council may have.

ACTION

REQUESTED: Motion to approve resolution 19-5681 Authorizing the Issuance of Series 2019 Water Revenue Refunding Bonds and Series 2019 Natural Gas Revenue Refunding Bonds and Approving the Forms of and Authorizing and Directing Execution and Delivery of Indentures, Bond Purchase Agreement, Irrevocable Refunding Instructions and Continuing Disclosure Certificate; Approving the Form of the Official Statement and the Distribution Thereof; and Providing for Other Matters Properly Related Thereto

ATTACHMENTS: Resolution No. 19-5681

The following list of forms were unavailable at the time of printing the agenda and will be provided at the meeting:

- Form of Indenture (Water)
- Form of Indenture (Natural Gas)
- Form of Refunding Instructions
- Form of Preliminary Official Statement
- Form of Bond Purchase Agreement
- Form of Continuing Disclosure Certificate
- Savings Analysis pertaining to the 2019 Water Bonds
- Savings Analysis pertaining to the 2019 Natural Gas Bonds

RESOLUTION NO. 19-5681

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
AUTHORIZING THE ISSUANCE OF SERIES 2019 WATER REVENUE REFUNDING
BONDS AND SERIES 2019 NATURAL GAS REVENUE REFUNDING BONDS;
APPROVING THE FORMS OF AND AUTHORIZING AND DIRECTING EXECUTION
AND DELIVERY OF INDENTURES, BOND PURCHASE AGREEMENT,
IRREVOCABLE REFUNDING INSTRUCTIONS AND CONTINUING DISCLOSURE
CERTIFICATE; APPROVING THE FORM OF THE OFFICIAL STATEMENT AND THE
DISTRIBUTION THEREOF; AND PROVIDING FOR OTHER MATTERS PROPERLY
RELATED THERETO**

WHEREAS, the City of Susanville (the "City") has heretofore provided for the issuance of (i) Susanville Public Financing Authority (as the conduit issuer), 2010 Refunding Revenue Bonds, Senior Series A, in the original aggregate principal amount of \$9,700,000 (the "Series 2010A Bonds"), and (ii) Susanville Public Financing Authority (as the conduit issuer), 2010 Refunding Revenue Bonds, Subordinate Series B, in the original aggregate principal amount of \$25,160,000 (the "Series 2010B Bonds," and together with the Series 2010A Bonds, the "Prior Bonds"); and

WHEREAS, the City owns and operates facilities for (i) the storage and transmission of natural gas within the service area of the City (the "Natural Gas System"), and (ii) the production, storage, treatment and distribution of water within the service area of the City (the "Water System," and together with the Natural Gas System, the "Water and Natural Gas Systems"); and

WHEREAS, because interest rates have declined since the Prior Bonds were issued, the City intends to take all action necessary to provide for the issuance of (i) City of Susanville, Series 2019 Water Revenue Refunding Bonds (the "Water Refunding Bonds"), pursuant to an Indenture of Trust (the "Water Indenture"), between the City and Finance Manager of the City of Susanville (the "Trust Administrator") and (ii) City of Susanville, Series 2019 Natural Gas Revenue Refunding Bonds (the "Natural Gas Refunding Bonds," and together with the Water Refunding Bonds, the "Refunding Bonds"), pursuant to an Indenture of Trust (the "Natural Gas Indenture," and together with the Water Indenture, the "Indentures"), between the City and U.S. Bank National Association, as trustee (the "Trustee"), for the purpose of refunding (the "Refunding") the City's remaining outstanding principal balances of the respective Prior Bonds; and

WHEREAS, the City is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Refunding Bond Law"), to procure execute and deliver the Indentures for the purpose of refunding the Prior Bonds; and

WHEREAS, the City has determined to sell the Natural Gas Refunding Bonds to Westhoff, Cone & Holmstedt (the "Underwriter"), pursuant to the terms and conditions of the Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by the City and the Underwriter, the form of which is on file with the City Clerk; and

WHEREAS, the City has determined to sell the Water Refunding Bonds to Banner Bank (the "Bank"), pursuant to the terms and conditions of the Natural Gas Indenture; and

WHEREAS, the City has caused to be prepared a preliminary Official Statement containing material information relating to the City, its Natural Gas System and the Bonds (the "Preliminary Official Statement"), the preliminary form of which will be distributed by the Underwriter to persons and institutions interested in purchasing the Refunding Bonds, the form of which is on file with the City Clerk; and

WHEREAS, there has been prepared and filed with the City Clerk a proposed form of Continuing Disclosure Certificate for of the Refunding Bonds (the "Continuing Disclosure Certificate") in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5), and this City Council hereby finds and determines that it is in the public interest and for the public benefit that the form of Continuing Disclosure Certificate be approved and that certain policy and procedure be established therefore; and

WHEREAS, in order to properly account for the Refunding, as well as the legal defeasance of the Prior Bonds, it is now appropriate and necessary for the City to (i) make, execute and deliver the Refunding Bonds in the aggregate principal amount necessary to refund and legally defease the Prior Bonds in advance of its scheduled maturities, and (ii) approve the form of Refunding Instructions, dated as of September 1, 2019, in connection with the Refunding of the Prior Bonds (the "Refunding Instructions"), copies of which have been presented at this meeting and are on file with the City Clerk; and

WHEREAS, the City Council, with the aid of its staff, has reviewed the Indentures, the Bond Purchase Agreement, the Preliminary Official Statement, the Continuing Disclosure Certificate and the Irrevocable Refunding Instructions (collectively, the "Financing Documents"), the forms of which have been presented to the City Council and are on file with the City Clerk, and the City Council wishes at this time to approve the foregoing documents in the public interests of the City; and

WHEREAS, Section 5852.1 of the Government Code of the State of California ("Section 5852.1") provides that the City Council obtain from an underwriter, municipal advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the Refunding Bonds, good faith estimates of: (a) the true interest cost of the Refunding Bonds, (b) the finance charge of the Refunding Bonds, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the Refunding Bonds received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds; and

WHEREAS, in accordance with Section 5852.1, the City Council has obtained such good faith estimates from the City's underwriter, and such estimates are disclosed in Sections 14 and 15 hereof; and

WHEREAS, this action does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines Section 15378; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Susanville as follows:

Section 1. Recitals and Findings. The City Council hereby specifically finds and declares that each of the statements, findings and determinations set forth in the recitals set forth above are true and correct and are incorporated herein by this reference, and finds further that the Refunding is expected to result in significant public benefits to the City and its ratepayers.

Section 2. Adoption of Authorizing Procedures. The City Council hereby authorizes the Refunding Bonds pursuant to Refunding Bond Law.

Section 3. Authorization of the Water Refunding Bonds. The Water Refunding Bonds are hereby authorized to be issued pursuant to the Refunding Bond Law, payable exclusively from net revenues of the Water System (the "Water System Revenues"). Such revenues constitute a trust fund for the security and payment of the principal or redemption price of and interest on the Water Refunding Bonds. The general fund of the City is not liable and the credit or taxing power of the City is not pledged for the payment of the principal or redemption price of and interest on the Water Refunding Bonds. The owners of the Water Refunding Bonds may not compel the exercise of the taxing power by the City or the forfeiture of its property, and the principal or redemption price of and interest on the Water Refunding Bonds are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues except the Water System Revenues.

Section 4. Authorization of the Natural Gas Refunding Bonds. The Natural Gas Refunding Bonds are hereby authorized to be issued pursuant to the Refunding Bond Law, payable exclusively from net revenues of the Natural Gas System (the "Natural Gas System Revenues"). Such revenues constitute a trust fund for the security and payment of the principal or redemption price of and interest on the Natural Gas Refunding Bonds. The general fund of the City is not liable and the credit or taxing power of the City is not pledged for the payment of the principal or redemption price of and interest on the Natural Gas Refunding Bonds. The owners of the Natural Gas Refunding Bonds may not compel the exercise of the taxing power by the City or the forfeiture of its property, and the principal or redemption price of and interest on the Natural Gas Refunding Bonds are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues except the Natural Gas System Revenues.

Section 5. Authorized Representatives. The Mayor, City Administrator, Finance Manager, City Clerk, and any other person authorized by the Council or City Administrator to act on behalf of the City shall each be an "Authorized Representative" of the City for the purposes of structuring and providing for the issuance of the Refunding Bonds, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the City, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Refunding and sale of the Refunding Bonds (including, but not limited to, the Indentures and any documentation necessary in connection with the Refunding Bonds, such as bond ratings, bond insurance surety reserve policies or other credit enhancement for the Refunding Bonds or relating to the Refunding escrow or investment of proceeds of the Refunding Bonds), and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the City Council has approved in this Resolution and the Indentures.

Section 6. Approval of Indentures. The Water Refunding Bonds shall be issued pursuant to and secured by the Indenture of Trust (the "Water Indenture"), between the City and U.S. Bank National Association (the "Trustee"), the form of which is on file with the City Clerk and is hereby referred to and incorporated herein by this reference. The Natural Gas Refunding Bonds shall be issued pursuant to and secured by the Indenture of Trust (the "Natural Gas Indenture," and together with the Water Indenture, the "Indentures"), between the City and the Trustee, the form of which is on file with the City Clerk and is hereby referred to and incorporated herein by this reference. The Indentures, in substantially the forms on file with the City Clerk, are hereby approved by the City Council. Any Authorized Representative, on behalf of the City, each acting alone, are hereby authorized and directed, for and in the name of the City, to execute and deliver the Indentures in such form, together with such changes, insertions and omissions as may be approved by the City Attorney, the City's Bond Counsel, or the Authorized Representatives, such execution to be conclusive evidence of such approval; and the City Clerk is hereby authorized and directed to attest such Indentures and affix the seal of the City thereto. The City Council hereby authorizes the delivery and performance of the Indentures. The Trustee shall be compensated for the services rendered by it in accordance with the Indentures on the basis of the fee schedule approved from time to time by an Authorized Representative.

Section 7. Appointment of Trust Administrator. The City's Finance Manager is hereby appointed to act as Trust Administrator under the Water Indenture unless and until replaced in accordance with the provisions of the Water Indenture, and the City Council hereby further agrees that the City's Finance Manager, when acting as Trust Administrator under the Water Indenture, may take such actions as permitted or required of the Trust Administrator under the Water Indenture, including actions which may be counter to those of the City. The Finance Manager is authorized to execute and deliver the Water Indenture and to authenticate and deliver the Water Refunding Bonds on behalf of the Trust Administrator thereunder.

Section 8. Terms of the Refunding Bonds. The Refunding Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form, shall be subject to redemption, and shall otherwise be issued on the terms and conditions, all as set forth in the respective Indentures and in accordance with this Resolution.

Section 9. Municipal Bond Insurance and Surety Bond. The respective Authorized Representatives, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Natural Gas Bonds and a reserve account surety bond for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Underwriter, that such municipal bond insurance policy and/or surety bond will reduce the interest cost or increase savings with respect to the Natural Gas Refunding Bonds.

Section 10. Preliminary Official Statement. Staff has caused a draft of the Preliminary Official Statement to be distributed to the members of the City Council and to be placed on file with the City Clerk. The Preliminary Official Statement is still in draft form and staff is continuing to work with the City's underwriter and disclosure counsel to finalize the Preliminary Official Statement. The City Council hereby authorizes and directs each Authorized Representative on behalf of the City to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule")

prior to its distribution to prospective purchasers of the Natural Gas Refunding Bonds. The City Council hereby approves and authorizes the distribution of the Preliminary Official Statement to prospective purchasers of the Natural Gas Refunding Bonds.

The Authorized Representatives are authorized and directed to cause the preliminary Official Statement to be brought into the form of a final Official Statement and to execute said final Official Statement, dated as of the date of the sale of the Natural Gas Refunding Bonds, and a statement that the facts contained in the final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Natural Gas Refunding Bonds, true and correct in all material respects and that the final Official Statement did not, on the date of sale of the Natural Gas Refunding Bonds and does not, as of the date of delivery of the Natural Gas Refunding Bonds contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made.

The Authorized Representative shall take such further actions prior to the signing of the final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall be in substantially the form of the preliminary Official Statement and which shall include such changes and additions thereto deemed advisable by the Authorized Representative and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

The final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Refunding Bonds.

Section 11. Continuing Disclosure. The City Council hereby approves the form of the Continuing Disclosure Certificate, in substantially the forms attached to the Preliminary Official Statement together with any changes therein or additions thereto deemed advisable by the Authorized Representative, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Representatives are hereby separately authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest the final form of the Continuing Disclosure Certificate, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

Section 12. Sale of Natural Gas Refunding Bonds. The City Council hereby authorizes and approves the sale of the Natural Gas Refunding Bonds by the City to the Underwriter pursuant to and in accordance with the Bond Purchase Agreement. The Authorized Representatives, each acting alone, are hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the City, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Representatives executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement, provided that the discount of the Underwriter, not including any net original issue discount, shall not exceed 2%, and that the net present value of the savings associated with the Refunding equals or exceeds 5% of the aggregate total amount of Prior Bonds being refunded.

Section 13. Sale of Water Refunding Bonds. The City Council hereby authorizes and approves the sale of the Refunding Bonds by the City to the Underwriter pursuant to and in accordance with the Bond Purchase Agreement. The Authorized Representatives, each acting alone, are hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the City, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Representatives executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement, provided that the discount of the Underwriter, not including any net original issue discount, shall not exceed 2%, and that the net present value of the savings associated with the Refunding equals or exceeds 5% of proportional aggregate total amount of Prior Bonds being refunded.

Section 14. Good Faith Estimates Pertaining to the Water Refunding Bonds. Set forth below are good faith estimates of the Underwriter, as required under Section 5852.1 of the California Government Code (the "Code") for the Water Refunding Bonds. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution.

(a) The true interest cost of the Water Refunding Bonds is estimated at 2.7658%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the Water Refunding Bonds, including all fees and charges paid to third parties, is estimated at \$151,119.

(c) Proceeds of the Water Refunding Bonds received by the City of \$6,986,900 less the finance charge set forth in (b) above, is equal to \$6,835,781.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$8,876,968.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

Section 15. Good Faith Estimates Pertaining to the Natural Gas Bonds. Set forth below are good faith estimates of the Underwriter, as required under Section 5852.1 of the California Government Code (the "Code") for the Natural Gas Refunding Bonds. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution.

(a) The true interest cost of the Natural Gas Refunding Bonds is estimated at 3.2199%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the Natural Gas Refunding Bonds, including all fees and charges paid to third parties, is estimated at \$549,045.

(c) Proceeds of the Natural Gas Refunding Bonds received by the City of \$23,145,000 less the finance charge set forth in (b) above, is equal to \$22,595,955.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$34,266,054.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

Section 16. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

APPROVED: _____
Kevin Stafford, Mayor

ATTEST _____
Gwenna MacDonald, City Clerk

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Susanville held on the 7th day of August, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

Reviewed by:  City Administrator

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Kevin Jones, Police Chief

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Police Record Management System

PRESENTED BY: Ryan Cochran, Captain

SUMMARY: The Police Department's Record Management system (RMS) is currently 31 years old. It has been antiquated for over 20 years and in desperate need of replacement. Since the City contracts with the Lassen Co. Sheriff's Office for dispatch services, it is most efficient for both agencies to transition to the same RMS so a Computer Aided Dispatch (CAD) program can be utilized. The LCSO is the area Primary Safety Answering Point in the County, which means all call information can be downloaded into a call for service for SPD.

On March 19, 2019 the SPD and LCSO conducted a parallel Request for Proposals for a Record Management System. In April of 2019, the Lassen County Sheriff's Office received responses from; Central Square Technologies, PTS Solutions. Inc., and Sun Ridge Systems, Inc.

An evaluation committee made up of city and county stakeholders reviewed and scored the proposals to determine the best fit for the needs of both agencies and met the requirements of the RFP. The committee recommended both the Police Department and Sheriff's Office proceed with Sun Ridge Systems, Inc., who produces a Record Management System called "RIMS." Sun Ridge Systems, Inc., also provides RMS services for over 100 law enforcement agencies in California.

This company produces a product that will bring the Police Department's technology ability for incident records management to modern day technology, which the ability to improve as technology does. Abilities include, but are not limited to; Mobile Terminals, data integration, accurate crime statistics and geographical tracking, "ireporting" (by smartphone), among many more.

There are many options to be discussed with this project. Server location, data integration, evidence/citation options, etc. Many of these options are included in the overall package, but some are optional. We plan on presenting to the Council on the progress and different options as we meet and confer with this vendor.

The LCSO is also taking their project to the Board of Supervisors to accept the RFP from Sun Ridge Systems, Inc., and enter negotiations for products and services.

FISCAL IMPACT: To be determined

ACTION

REQUESTED: Motion to accept recommendation from RFP review committee and authorize City Administrator and Police Chief to begin contract negotiations with Sun Ridge Systems, Inc.,

ATTACHMENTS: RFP
Score Sheet
Sun Ridge Proposal

COUNTY OF LASSEN/CITY OF SUSANVILLE
REQUEST FOR PROPOSAL

COUNTY OF LASSEN/CITY OF SUSANVILLE
REQUEST FOR PROPOSALS - CAD/RMS System
Lassen County Sheriff's Office
Susanville Police Department
Susanville, California

Computer Aided Dispatch/Report Management System
CAD/RMS
Lassen County Sheriff's Office
Susanville Police Department

Lassen County Sheriff's Office
1415 Sheriff Cody Lane
Susanville, CA 96130
(530) 251-8013
FAX (530) 251-2854

Published: March 19, 2019

Proposals are due by 10:00 am on April 23, 2019

INTRODUCTION

The County of Lassen (County) and City of Susanville (City) are seeking a firm to develop a CAD/RMS System for the Lassen County Sheriff's Office, Susanville Police Department, and the County 911 Communication Center that provides dispatch services for both agencies. It is in the best interest of the City and County to identify a vendor that can meet the CAD/RMS needs of both agencies.

The County and City intend to award contracts to a firm that will meet our qualification criteria and has successfully performed services on similar projects in the past. The successful firm will be required to enter into contracts with the County and City separately for the services requested in this Request for Proposal (RFP) within a reasonable time after award. A firm submitting a proposal must be prepared to use the County and City standard contract forms rather than its own contract form. The County's model contract is attached as Exhibit A-County Model Contract. The City's model contract is attached as Exhibit E-City Model Contract. The contracts will include terms appropriate for the project. Generally, the terms of the contracts will include, but are not limited to: (1) completion of the project within the timeframes provided, (2) no additional work authorized without prior written approval, (3) no payment without prior written approval, (4) funding availability, (5) termination of contract under certain conditions, (6) indemnification of the County/City, (7) approval by the County and City of any subcontractors, and (8) minimum appropriate insurance requirements. The County and City intend to award contracts substantially in the form of the Model Contracts to the selected Contractor. County/City may choose not to award contracts.

BACKGROUND

The County of Lassen is located in northeastern California, and the County Seat of Susanville is approximately 85 miles north of Reno, Nevada and approximately 112 miles east of Redding, CA. The region primarily consists of agricultural and public land, and the primary employers are three prisons and an Army Base. The County population is around 35,000 people. The population of the unincorporated areas is about 17,000. The remainder of the population lives in the incorporated City of Susanville. Of those residents, about 8,000 are incarcerated in state prisons, leaving a

service population of around 10,000 in the City of Susanville.

The County employs 32 sworn Deputy Sheriffs (Deputies, Sergeants, Lieutenants, Captains), 7 dispatchers, 20 Correctional Deputies (Correctional Deputies, Correctional Corporals, and Correctional Sergeants). The dispatch center has 3 fully functioning work stations and a jail station. Typically, 1-2 dispatchers staff the Public Safety Answering Point (PSAP) with a supervisor on-site during most day shifts. The Sheriff's Office PSAP also provides dispatch services for the Susanville Police Department.

The City employs about 16 peace officers and two civilian employees.

During the last year the Sheriff's Office PSAP handled 40,246 telephone calls. Of the total calls, 12,865 were 911 calls. These calls, as well as officer initiated activity, resulted in 17,423 events involving patrol resources and the assignment of a report number. Of those, 8,016 were Sheriff's (County) responsibility and 8,507 were Police (City) responsibility. The County PSAP currently maintains approximately 2,100 Active Warrants.

SCOPE OF SERVICES

Overview: The County is looking to purchase a fully-integrated system for the Sheriff's Office that includes a Computer Aided Dispatch System, Records Management System, Mobile Field Reporting via tablet and/or smart phone, and a Training Management System, as well as additional modules, all with connectivity to local, County and State agency systems.

The City is looking to purchase a fully-integrated system for the Police Department that includes Records Management System, Mobile Field Reporting via tablet and/or smart phone, and a Training Management System, as well as additional modules, all with connectivity to local, County and State agency systems.

The vendor selected will be responsible for the implementation of all selected components, project management, testing, data migration, and providing a turnkey installation that meets the performance requirements as stated in the final contract.

The County and City are proposing a year agreement system implementation schedule. Contractor should be expecting to implement the new system within 120 days of contract execution. County/City understand start-ups and data conversion (if included in agreement) will extend beyond system implementation. Final schedule will be discussed during contract negotiations.

Background Check: Contractor staff will have access to confidential and sensitive data files and shall be subject to a Department of Justice and Criminal History background check. Failure to pass the background check shall exclude any employees of the contractor from access to confidential and sensitive files. All employees of the contractor

who will participate at the level described above will be required to provide a valid issued driver's license or equivalent photo identification before they will be permitted to begin work on the project.

1. **System Requirements: Refer to Attachment A.** Attachment A is the System Requirements Worksheet and must be completed and returned in the original Excel format (PDF is not acceptable). Proposals must include specific responses to each of the requirements and highly desired features.

Proposal responses shall adhere to the following code guidelines:

E=Existing Requirement will be met by proposed existing software and/or hardware that is installed and operational and can be demonstrated.

M=Minor Modification Requirement will be met by proposed minor modifications to the existing software and/or hardware or use the software tools. All work shall be performed by the contractor.

U=Under Development Requirement will be met by proposed software that is currently under development, in Beta test, or not yet released yet.

T=Third Party Solution Requirement will be met by existing third party software and/or hardware. Integration work will be performed by vendor and third party. Pricing proposal must include charges for third party (subcontractor) and it is preferred the vendor third party relationship currently be functioning in another jurisdiction.

N=Not Available Requirement cannot be provided.

Note:

An omitted response will be assumed to be the same as "N-Requirement cannot be provided."

All costs associated with "M" or "T" responses shall be included in the pricing proposal.

2. **Interfaces:** Proposed system must interface or be fully integrated with CAD, RMS, Field Reporting, CLETS and Mobile Reporting. Possible full integration with Safe Evidence Management (previously EVIDENCE), Jail Management System (JMS), etc. and have the ability to interface with California Superior Court's case management system.

The Sheriff's Office manages the County-wide message switching facility for all County law enforcement agencies to access the Department of Justice CLETS and CJIS systems. The law enforcement agencies include the Sheriff's Office and Susanville Police Department.

911 Interface: The County requires a one-way interface from the Vista 911 system to the CAD application. Incoming calls should plot location on the CAD map as they are received by the 911 system; regardless if the call taker has answered the call or not. Once the call is answered, call takers shall be able to transfer ALL/ANUAL data and time stamps into corresponding dedicated CAD fields, with the ability to modify the location of occurrence as needed. MSAG locations should be submitted for address verification and once validated, the previously plotted pin on the CAD map should be updated, if necessary. Incoming calls and answered calls should appear visually distinct on the CAD map.

The interface should be Phase II Wireless Compliant such that ALL data containing latitude and longitude coordinate information is converted to a location, accurately placed into data fields and plotted on the CAD map. When only Phase I information is available, the tower location should plot on the CAD map. Finally, any address received from the 911 system should be able to be viewed in CAD as coordinates, a street address, an intersection and a radius from intersection.

3. Testing:

The implementation phase include adequate provisions for functional performance and reliability testing. The County/City require the Contractor involvement in the development and execution of all test plans to assure the System delivers the expected results. Satisfactory completion of a mutually agreed upon Acceptance Test for each stage of the implementation is required as is a Final Acceptance Test in a fully integrated environment (to ensure components work together as intended).

The Acceptance Test will include a confirmation of each functional requirement identified in the RFP in addition to required performance and reliability acceptance procedures. The Contractor will be expected to demonstrate all contracted functionality using the product as configured for the County/City during testing. Final System Acceptance will not occur until all testing demonstrates the implemented product works as contracted in the live environment for ninety (90) days.

4. Warranty:

The entire system solution as proposed in this RFP should include a first year warranty for the Contractor supplied hardware and software for a minimum of twelve (12) months after the formal Final System Acceptance date. Final System Acceptance will not occur until the system has performed for ninety (90) consecutive days in a live production environment without errors.

The warranty shall include all software updates, enhancements and refinements, as well as all professional services and interfaces. The warranty should conform to commercially agreed specifications and protect against any defects or damage caused by manufacturers, Contractors, or proposed subcontractors, in the system's equipment or software. Additionally the Contractor will warrant its responses to the functional

Responses to the Request for Proposals must be made according to the requirements set forth in this section, both for content and for sequence. Failure to adhere to these requirements, or inclusion of conditions, limitations or misrepresentations in a response may be cause for rejection of the submittal. Use 8-1/2" x 11" sheets (fold outs are acceptable for charts, etc.). Type size must be large enough to be easily legible, but shall not be smaller than 10 point.

A. County Contact Person:

Submit Attachment A electronically (one complete submittal signed, unbound original and six (6) complete copies of the submittal to:

Rajna Mineau, Sheriff's Executive Assistant
 Lassen County Sheriff's Office
 1415 Sheriff Cody Lane
 Susanville, CA 96130
 rmineau@co.lassen.ca.us

Questions posed during the RFP process must be submitted to Rajna Mineau at rmineau@co.lassen.ca.us

Rajna Mineau will provide the question and answer to all potential respondents. Do not contact any other County/City employee with questions during the RFP process. Questions close April 12, 2019 midnight.

B. Mandatory Content and Sequence of Submittal:

1. Cover letter:

Section 1 shall be a maximum two page Cover Letter and introduction and shall include the name and address of the organization submitting the proposal, together with the name, address and telephone number of the contact person who will be authorized to make representations for the organization, the firm's federal tax ID number and a list of subcontractors if any. The Cover Letter must include a statement that the proposal is valid for 90 days after receipt.

2. Table of Contents:

Section 2 shall be a detailed Table of Contents and shall include an outline of the submittal, identified by sequential page number and by section reference number and section title as described herein.

3. Contractor Capabilities:

requirements included in this RFP and any other element of this RFP and will agree to attach its RFP response to any contract reached with the County and City.

5. Support and Maintenance:

The County and City expect that a five (5) year maintenance and support agreement will be offered. The support agreement should designate priority levels for system errors and include a guarantee response time for each priority level. Further, the proposal must provide financial reimbursement for Contractor failure to meet the required support obligations. Includes how Contractor intends to support and maintain any third-party systems and whether or not the annual support and maintenance includes any upgrades at no additional cost. Is support offered remotely or on-site, or needed? Is support available 24x7?

6. Training:

The Contractor is expected to provide the following types of training programs along with appropriate documents:

- a) A training program for the County/City project implementation team that includes the training necessary to understand the overall System architecture, interface configuration, data import/export capabilities and workflow configuration options, etc.
- b) A training program for application administrators that includes the training necessary to configure, tailor, monitor and administer the technical and functional aspects of the System.
- c) A training solution to support the training of end-users in the functionality of the various proposed System components. To support the training of end users, the County/City envisions the use of a "train-the-trainer" approach accompanied by computer-based training.
- d) Post-implementation training for on-going end-user training of the initial System, as well as for future version releases. Again, the County/City envisions the use of a "train-the-trainer" approach accompanied by computer-based training.

8. RFP Calendar:

Issue Request for Proposal (RFP)	March 19, 2019
Question and Answer closed	April 12, 2019
Proposals Due	April 22, 2019
Evaluation/Award	May 3, 2019
Contracts Approved by County and City	May 22, 2019
Project Start	June 2019

FORMAT FOR PROPOSALS

Section 3 entitled "Contractor Capabilities" shall include a description of the proposing firm's resources, experience and capabilities as listed below for successfully developing and completing the project as well as resumes of the staff to be assigned to the project listed in the order described below.

- a. **Background and Experience:** In this section, describe your firm's background, number of years in business, organizational structure, identify decision-making roles. Describe the roles and background of the design team leader and key team members who will be assigned to the Lassen project team. Include how many times the company has been sold, company mergers, or acquired any other company to integrate or interface their products. If the proposed CAD, Mobile or RMS systems are separate modules or are acquired from another source, include the purchase history. Describe the firm's demonstrated experience in developing CAD/RMS Systems. Include a comprehensive list of current California Law Enforcement Agencies utilizing your CAD/RMS system with current contact names, telephone numbers and e-mail addresses. This list will be utilized to determine customer satisfaction.
- b. **Key Personnel:** Provide resumes describing the background and qualifications of key personnel your firm would use on this project, including any subcontractors that are considered as key personnel on this project. Name the intended on-site project manager.
- c. **Statements as to whether any of the following events have occurred in the last five years with the company (as its current entity or as a predecessor entity):** If yes to any of the following provide a full explanation for each firm item:
 - i. Was the company the subject of any order, judgment or decree?
 - ii. Was the company's business the subject of any civil or criminal proceeding in which there was a final adjudication adverse to the company?
 - iii. Was a petition under bankruptcy, insolvency or receivership filed by or against the company?
 - iv. Has the company:
 - 1) Supported a program where services were terminated?
 - 2) Supported a program where services were terminated that resulted directly from activities conducted by the company?
 - 3) Supported a program that required substantial fines or refunds that directly arose from program related activities?
- d. **Financial Stability:** Submit five years of financial statements. Failure to provide required disclosure submit electronically and respond to all information requested. Itemized and include in the response being deemed non-responsive.
- e. **Scheduling:** Define the project schedule; process your firm uses. Use your

or all of the projects in the Experience Summary section, as well as other projects (if necessary), as specific examples, which demonstrate your ability to deliver your work on time.

4. Firm's Experience Summary

Section 4 entitled "Firm's Experience Summary" (please limit to three (3) projects), shall briefly describe related past projects completed along with a discussion comparing similarities with this proposed project. Section 4 shall also contain professional references, including names and telephone numbers for each sample project.

Include experience in querying data from the State of California Department of Justice to include CLETS and CJIS.

5. Work Plan

Section 5 entitled "Work Plan", will outline how the Contractor's team intends to prepare and complete all tasks identified in their proposal, and anticipated timelines for each task for this project. Include training and implementation on the Schedule.

Provide detailed technical and functional information related to the product(s) and provide details on which modules are separate, interfaced or fully integrated. Describe the base system as it operates today. Include a list of features and/or modules that are included in the basic system purchase. If your database has interfaces with other databases, explain how the system operates. Outline the basic design and briefly explain how that design will meet the County/City needs. Is the solution centralized, modular, or does it define every component as an option that can be turned on or off?

A. Core System and Modules

Provide detailed information on the core system and its included components. Specify all modules by name and function: (example CAD, RMS, Field Reporting, Mobile Reporting, Safe Evidence Management (property & evidence), Jail Management System (Crimestar), etc.) and whether they are interfaced and/or separate or fully integrated.

Describe how data flows between modules (e.g. is there a separate message switch server), specifically describe how data flows between mobiles and in-house.

B. Versions and Life Cycles

Provide the current version, release date, lifecycle and end-of-life date for the core system, each module, any third party solution and any OS or database software used by the proposed system. List the programming language and version of any application server and the database operating system. Include any other ancillary applications that are used to operate the system (e.g. workflow, dashboards, alerts, etc.).

Identify any unique or distinctive features in the system that differentiates your product from competitor's products.

H. Training

Include a training schedule addressing the different categories of training listed previously, #8, in the Scope of Services.

6. Scope of Work and Project Schedule

The Scope of Work should include two sections. Section A should include the scope of work and project schedule for the County and Section B should include the scope of work and project schedule for the City. The Scope of Work reflects how the project goals and deliverables will be achieved. Include a project schedule of time frames, milestones, quality control, testing processes and criteria for completion of the project.

A. Implementation

Describe the implementation methodology for the project including a preliminary implementation schedule for all applications, the required time for system and application training, program testing and sequence of the installation of the various applications. Include a staffing matrix with estimated staff required by role and estimated required time per month.

B. Data Conversion

Describe the data conversion methodology and best practices recommended for CAD and RMS data. Include technical information including any additional databases required for conversion, where the conversion services will take place (i.e. will Contractor remotely access current data for conversion, or would Contractor prefer to have the data at Contractor's facility), Describe how Contractor manages the data conversion process to ensure the project stays on schedule.

Contractor may be expected to complete the following phases of data conversion: import data, convert data, validate data and complete quality production validation reports.

C. Transition Support

Explain the process the implementation team will use to transfer this project to the support team and how unresolved issues from Go-Live will be managed. Include a sample Project Transition to Project Support document.

7. Support, Warranty and Maintenance

C. Technical Requirements

Describe technical requirements and the technical environment for the use of the software. Provide information regarding what the County/City will need to utilize the proposed system. Provide the minimum hardware and software specifications for networking and security, server, database and client that are required to install and run the application. Specify any physical requirements, including power needs, electrical power, cooling, etc. Include specifically which application requires or is recommended to run on a separate database (e.g. online reporting, Dashboards, Reporting). Include other third party licensing requirements. Include all requirements and costs for a virtual server environment. Include all requirements for backup recommendations.

D. System Diagram

Provide a diagram of the proposed System architecture. The diagram should include an overall representation of the servers, network, peripherals, workstations, mobile data components and interface points, as well as a representation of the System environments (Production, Backup, and Training/Testing).

Note: All items listed on the hardware costs section of the cost proposal must be included in the diagram and vice versa.

E. Geographical Files

Provide information on the geographical files the system uses. Describe how the mobile system utilizes these geographical files and how the system may differ from other vendors. Include information related to mobile computer geography, how it interface with dispatch and how it will benefit dispatch and field personnel. Describe the format in which the system utilizes the map system (e.g. does the system digest native shape files or does it process a conversion).

F. Reporting and Dashboards

Include a list of all current reports built into the proposed system. Include a description of how the software manages the cross checking of errors to ensure accurate reporting. Include a description of how ad-hoc reporting or queries are handled within the system, for an average user. Include how crime analysts can use the system and include if this functionality is standard or add-on. Include any foreseen circumstances where a third party reporting system may be required. Describe any features, such as Dashboards, and how the data is combined (e.g. is a separate database required to support Dashboards) and how it is presented to the users.

Explain how users access the system whether by "user" license or "work station" license. Include number of licenses included in base price and include cost for additional licenses.

G. Unique Features

A. System Acceptance Plan

Provide a System Acceptance Plan for the project and segregate it into tasks/phases that will allow efficient project progress while also providing a means for monitoring the project. Include Contractor's efficient project progress while also providing a means for monitoring the project. Include Contractor's definition of "System Acceptance" and at what point in the project this occurs.

B. First Year Support

Describe details of the proposed system's first year support: maintenance and updates of the software to begin upon System Acceptance.

C. System Support

Describe in detail the system support to be provided. This must include how software or hardware problems will be resolved and terms of the warranty. Include support days and hours available and if the company provides telephone support, 24x7. Specify the response time (e.g. 2 hours, 4 hours, or some other time period) based on severity of support necessary. Provide a detailed support road map with escalation procedures and contacts.

D. Support via Remote Access

As part of system support and maintenance, the Contractor's support personnel should have the capability to connect to the proposed system to investigate problems. If special software or hardware is required to support this capability, it must be included in Attachment B Cost Spreadsheet as a separate line item.

E. Software Updates

Contractor must describe its software update or upgrade policy. Specifically:

- What is the guaranteed time frame to update the software to comply with State or Federal mandated changes in CLETS or NCIC?
- How frequently and under what circumstances are software updates provided?
- How will County/City be notified of updates?
- What is involved in implementing an update?
- How many hours will the system be down during an update?
- Will County/City incur any charges for updates or new versions of products/services? If so, under what circumstances?
- How frequently does the company release new software versions of software?
- How many enhancements County/City expect with these new versions?
- What is the Contractor's approach to migration from earlier versions?
- How many versions will Contractor support?
- For software updates requiring data migration to a new server, describe the

- process and include projected system down time
- Will Contractor guarantee, within normal maintenance costs, that all current versions of Microsoft Windows operating systems will be supported?
- If the software is in development to change platforms (e.g. to NET) or any other significant planned technical update, describe how customers will receive the update

F. Annual Maintenance

Provide a proposal for maintenance of the proposed systems for the five years following expiration of the first year warranty period. Describe when year two annual maintenance fees are due, presumably one year from Project Acceptance. Describe service levels including, if applicable, remote program diagnosis and correction, on-site problem correction and response time. Include a sample Maintenance Contract and include the calculation utilized to determine the cost of the payment schedule required. Include project annual fee increases and how those are calculated.

G. Cost

The cost portion of the proposal should include two sections. Section A should include a cost schedule for the County and Section B should include a cost schedule for the City.

The cost portion of the proposal must be for a firm price that identifies a breakdown of the pricing for each element of the proposed project, including individual costs for modules.

If an hourly rate is quoted, the anticipated total number of hours should be included along with a not-to-exceed price for the project.

Cost section must be completed within the format provided in this RFP as Attachment B.

H. Draft Contract Scope of Work

Contractors should submit a draft Scope of Work that is intended to be incorporated as Attachment III in the resultant contracts.

SELECTION PROCESS

The selection committee will include representatives from Lassen County and City of Susanville. The criteria for selecting the contractor recommended for selection by the Lassen County Board of Supervisors and the City Council for the City of Susanville is provided below.

- (1) **Reputation and Experience.** Does Contractor have a reputation of being reliable, delivering on schedule, and performing tasks to the satisfaction of its clients? Does Contractor have sufficient experience in the kind of work required? Does Contractor warrant and offer support for systems?

- 3. Wolve any informalities or irregularities in any qualification statement.
- 4. Not enter into any contract.
- 5. Not select any firm.
- 6. Cancel this process at any time.
- 7. Amend this process at any time.
- 8. Interview firms prior to award.
- 9. Enter into negotiations with one or more firms.
- 10. Award more than one contract if it is in the best interest of the County/City.
- 11. Issue similar RFPs or RFQs in the future; and/or
- *2. Request additional information during the interview.

C. The selected firm is expected to perform and complete the project in its entirety.

D. Any and all costs arising from this RFP process incurred by any proposing firm shall be borne by the firm without reimbursement by Lassen County and/or the City of Susanville.

E. **Surety Required.** A performance bond in the amount of one-hundred percent (100%) of the project cost shall be required of the selected Contractor to ensure satisfactory performance of the work. The bond shall be a corporate surety bond issued by a surety company authorized to do business in California.

F. Confidential and Proprietary Data

All materials received relative to this RFP will be kept confidential, until such time as an award is made or the RFP is cancelled, at which time all materials received will be made available to the public. Proposals received will be subject to Government Code 6250, the Public Information Act. Under the Act, the County/City may be obligated to provide a copy of any and all responses to this Request for Proposal, if such requests are made after the contract is awarded.

The exception to this required disclosure is information that fits within the definition of a confidential trade secret (Government Code section 6254(a)) or contains other technical information or other data whose public disclosure would cause injury to the vendor's competitive position. If any vendor believes that information contained in its response to this Request for Proposal should be protected from disclosure, the vendor MUST explicitly mark the pages of the response that contain the information.

The County/City will not honor any attempt by the vendor to designate the entire proposal as proprietary.

MODEL CONTRACT

The Contractor selected is expected to execute a contract substantially similar to the ones

(2) **Capability and Availability of Staff.** Does Contractor have the qualified and experienced staff needed to perform this job? Did the firm address the major requirements of this solicitation to include an implementation plan, training requirements, data conversion, and support and maintenance going forward?

(3) **System Capabilities.** Does Contractor's solution address County and City required system capabilities for a CAD/RMS system? Will the proposed system meet the needs of the County and City? Does the system readily interface with necessary peripheral systems?

(4) **Financial Stability of the Firm.** Does Contractor have financial strength and stability?

(5) **Cost.** Is the cost reasonable for the proposed task and is the cost of on-going support, maintenance and licensing reasonable?

Selection will consist of two levels of review. Level 1 will consist of evaluating the proposals for the purpose of establishing the most qualified contractors. Level 2 will be used to select the finalist. This level may include a request for a presentation from the finalists, proposal fact finding, reference checks and negotiation of contract terms and conditions.

Upon the recommendation of the selection committee, City and County representatives will take their recommendation to their respective governing bodies for review and/or approval to enter contractual agreement.

NOTICES

Any questions related to this RFP are to be directed to the County's website, PublicPurchase.com. Do not contact County/City personnel or selection committee members regarding this project or the selection procedures.

All proposing firms responding to this RFP should note the following:

A. **Intellectual Property Rights:** As between the County/City and the Contractor, County/City owns all right, title and interest in and to the content of the data. The Licensed program materials contain confidential information of the Contractor and all copyright, trademarks, patents and other intellectual property rights created, developed, submitted or used in or in connection with the licensed program materials are the exclusive property of the Contractor.

B. Lassen County and City of Susanville reserves the right to:

- 1. Reject any or all submissions;
- 2. Request clarification of any submitted information.

shown in Exhibits A and E.

DISCLOSURE OF INFORMATION

All information and materials submitted to the County/City in response to this RFP may be reproduced by the County/City for the purpose of providing copies to authorized County/City personnel involved in the evaluation of the proposals, but shall be exempt from public inspection under the California Public Records Act until a Contract is executed. Once a Contract is executed, the California Public Records Act limits the County/City's ability to withhold data relating to proprietary information or trade secrets as defined by statute. If a Contractor's proposal contains any such proprietary information or trade secret that the Contractor does not want disclosed to the public, subsequent to the execution of the contract, each sheet of such information MUST be marked by the Contractor as "proprietary information" or "trade secret". After the contract is executed, if a third party requests a copy of any Contractor's proposal and such documents contain material marked "proprietary information" or "trade secret," the County/City will withhold that information if it meets the statutory definition of proprietary information or trade secret and the Contractor agrees to defend, indemnify, and hold harmless the County/City in any subsequent legal action based on its withholding.

TIMING AND SCHEDULE

All responses to this RFP must be submitted on or before 10:00 a.m. on April, 2019.

County/City are proposing a very aggressive system implementation schedule. Contractor is expected to implement the new negotiations system within 90 days of contract execution. County/City understand interfaces and data conversion will extend beyond system implementation. Final schedule will be discussed during contract.

26. **Contract Terms and Conditions.** In the event of any contract term or condition of the Contract, these Attachment A Terms and Conditions shall prevail.

27. **Delegation of Assignments.** Contractor shall not delegate, transfer or assign its duties or obligations under the Contract, either in part or wholly, by assignment, asset sale, merger, change of control, creation of law or otherwise, without the prior written consent of County and any prohibited delegation or assignment shall render the Contractor in breach of this Contract. Upon consent to any delegation, transfer or assignment, the parties will enter into an instrument in writing that transfers and assigns to Contractor County will not be obligated to make payment under the Contract with such limitation (if any) as set forth in the instrument.

28. **Control of Interest.** Contractor and Contractor's employees shall have no direct or indirect which will conflict or in any manner or degree with the performance of services required under the Contract.

1. This Contract is entered into by County upon the express representation that Contractor has no other contracts in effect with County except as described on Exhibit "A" hereto attached. Exhibit "A" is hereby made part of the Contract by reference herewith and hereby subjected to these Terms and Conditions (Attachment B).

2. Contractor understands and agrees to the County's policy that no contracts are knowingly required to any current County employee or former employee (any or former County employees or former employees (any or former County employees) who are employed without notifying the Director of Human Resources in writing.

Regina Soriano, Director of Human Resources
720 S. Linden Blvd
Sunnyvale, CA 94085

3. Contractor agrees, by execution of this Contract that it has no business or other interests that conflict with the interests of the County in the matters of the Contract. Contractor acknowledges that it is a branch of public utility or other public utility, a public utility or other public utility of the County for the matter of County Counsel on the matter prior to executing the Contract.

29. **Scope of Work.** Contractor, by execution of this Contract, agrees to act in the best interest of and on behalf of the County and its constituents in all matters and Contractor agrees to perform its obligations under the Contract in an honest, fair, prudent and diligent manner as required by reasonable standards of conduct for its profession.

30. **Survivability.** The terms and conditions of this Contract that remain in force and effect as a matter of law shall survive any termination of the Contract, if deemed to be enforceable.

31. **No Implied Waiver.** In the event that the County at any point ignores or allows the Contractor to break or not fulfill an obligation under the Contract, it does not mean that County waives its legal rights to sue to the Contractor to fulfill those obligations.

Entirety of Agreement. This Contract and all Attachments hereto constitute the entire agreement and made part of the Contract and shall be the entire agreement between the parties.

County Initials _____

Contractor Initials _____

ATTACHMENT II

Insurance Requirements for Software and Professional Services Contract

1. **Minimum Insurance Requirements.** Contractor shall maintain in force the following minimum insurance requirements for the term of the Contract, in addition to the minimum insurance requirements set forth in Section 8.1(b) and (c) of the "Minimums Page" and the minimum insurance requirements to the Government General Code (G.C.) policy.

A. **MINIMUM POLICY LIMIT OF INSURANCE -** Coverage shall be at least as follows:

- Commercial General Liability Insurance.** Insurance to be issued by a licensed insurance carrier (CO 00 01 12 or CO) or equivalent on an "occurrence" basis including bodily injury, property damage, contractual liability, medical expenses for any one person per occurrence and advertising injury. The policy shall include a per occurrence limit of no less than \$1,000,000 and an aggregate limit of no less than \$2,000,000. The policy shall be subject to the following conditions:
- Automobile Liability Insurance.** ISO form CA 0001 covering (a) auto Code 1 or 2 (a) Code 1 and 2 (b) Code 3 and 4 (c) Code 5 and 6 (d) Code 7 and 8 (e) Code 9 and 10 (f) Code 11 and 12 (g) Code 13 and 14 (h) Code 15 and 16 (i) Code 17 and 18 (j) Code 19 and 20 (k) Code 21 and 22 (l) Code 23 and 24 (m) Code 25 and 26 (n) Code 27 and 28 (o) Code 29 and 30 (p) Code 31 and 32 (q) Code 33 and 34 (r) Code 35 and 36 (s) Code 37 and 38 (t) Code 39 and 40 (u) Code 41 and 42 (v) Code 43 and 44 (w) Code 45 and 46 (x) Code 47 and 48 (y) Code 49 and 50 (z) Code 51 and 52 (aa) Code 53 and 54 (ab) Code 55 and 56 (ac) Code 57 and 58 (ad) Code 59 and 60 (ae) Code 61 and 62 (af) Code 63 and 64 (ag) Code 65 and 66 (ah) Code 67 and 68 (ai) Code 69 and 70 (aj) Code 71 and 72 (ak) Code 73 and 74 (al) Code 75 and 76 (am) Code 77 and 78 (an) Code 79 and 80 (ao) Code 81 and 82 (ap) Code 83 and 84 (aq) Code 85 and 86 (ar) Code 87 and 88 (as) Code 89 and 90 (at) Code 91 and 92 (au) Code 93 and 94 (av) Code 95 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Attachment III - Scope of Work

1.0 Objectives of the Project

Contractor will manage and implement (as directed) in accordance with the specifications attached hereto to enable the County to utilize Contractor's latest name of software system software in fulfilling its respective obligations as described in this Attachment III - Scope of Work and the existing implementation plans. Contractor and County agree to use all commercially reasonable efforts to perform in accordance with the respective plans and schedules.

2.0 Project Personnel

2.1 Contractor will designate a Project Manager and provide individuals to meet the requirements and accomplish the work as stated in this Contract. In the event of the illness, absence or resignation of the Contractor's Project Manager, the person assigned as Contractor's Project Manager, Contractor will notify County in writing. The following positions on the Contractor's project team are identified as Contractor Key Roles:

Project Manager

- Responsible for successful project implementation by managing project scope, project objectives, project resources, project communication, project timelines and project risk.
- Responsible for transition to County.

Business Analysts

- Act as subject matter experts for the project.
- Document and communicate data requirements and mapping elements, and integration requirements through the product overview and business process discovery.
- Perform testing and work with clients on user acceptance testing.
- Train the clients and provide user documentation.
- Support during project completion through transition.

Implementation Specialists

- Responsible for data migration and importing templates into the System's data structure.
- Responsible for developing reports, interfaces, and interfaces for the project team.

2.2 Contractor's Project Manager will be responsible for all aspects of the project implementation and will be fully knowledgeable of the objectives of the project. Contractor's Project Manager will provide leadership to both Contractor and County personnel engaged in the project implementation and will coordinate all administrative and technical decisions on the project.

2.3 Contractor's Project Manager will coordinate all of Contractor's on-site and off-site personnel working on the Project. The Contractor Project Manager will schedule Contractor implementation team resources and work with the County's Project Manager to ensure that the County's team is available for planned activities.

2.4 County will designate a Project Manager to serve as the primary point of contact with Contractor during the execution of the Project. In the course of the implementation of this Contract, a business necessary for the County to change the person assigned as County's Project Manager, County will notify Contractor in writing.

2.5 Contractor's Project Manager shall deliver to County's Project Manager, weekly reports of Contractor's progress on the project, including progress toward completing the Tasks and

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The data conversion, data and data access will be provided under a mutually agreed security policy.

3.9 The County is responsible for all data cleansing activities. Contractor will provide subject matter experts to assist with troubleshooting and developing data-cleansing strategy.

3.10 The County shall be responsible for participating in the Product Overview sessions, Contractor's "non-interactive" sessions, identifying County subject matter experts responsible for defining and documenting the County business process from the Customer provided data and providing training resources to conduct the End-User Training sessions in the County offices prior to system go-live.

3.11 The County shall be responsible for developing testing scenarios from defined business processes determined requirements and testing scenarios of business user tasks. Execution of the functions of testing, as well as data conversion review and validation, is the responsibility of the County. Contractor will provide subject matter experts to assist with troubleshooting, system testing and facilitate configuration of selected product objects.

3.12 The County shall provide staging areas for the purpose of hardware and software configuration, and operational data testing before installing supported in new equipment in the County office.

3.13 The County shall provide a facility that will serve as the software solution lab after computer hardware is set up for interfacing with the test and delivery databases.

4.0 Contractor Responsibilities

4.1 Contractor will provide County with required specifications for Local Database, database software installations for required operating systems and network software to be County data procure and/or design the necessary local hardware at County's expense.

4.2 If requested by the County, Contractor will provide technical support services to assist County in evaluating its Local Database, identifying network, communications and computer hardware required to properly operate the Software, and installing and configuring the Local Hardware for the County. If Contractor provides these services, it is committed to the County and at the time of installation, the Local Hardware will be generally configured and installed, and will provide sufficient network communications, and connector materials to support the installation and/or End User.

5.0 Place of Performance

Contractor will perform services either at its local offices as well as in County offices. County will make available work office space and meeting space as is reasonably required for Contractor staff to perform their work.

6.0 Project Management Plan

Contractor Project Manager will be the sole source and coordinator of the Project Management Plan, and will develop a Project Management Plan (PMP) to include the following components, submitted to the County for review and approval as described in Attachment III - Scope of Work:

Project Schedule: A preliminary detailed project schedule of activities to be done in the project. The Contractor and County Project Managers will conduct a joint review of the Project Schedule during the initial stages of the project. Once the Project Schedule is approved by the Project Management Team it will become the primary tool used to coordinate project activities and control the project.

The Project Schedule will be reviewed and updated by the Project Management Team as a regular basis in response to changing circumstances. Changes to the project schedule will be approved by the Project Management Team and approved by the Project Management Team.

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Deliverables as described herein. Each report must contain a description of the current status of the project, the tasks on which time was spent, the associated progress to be made in the next reporting period and the problems encountered, the associated actions to be taken and their effect, if any, on the project schedule.

Contractor will select and assign staff from County and to substitution of those individuals performing Key Roles as identified herein. Contractor further agrees that any substitution made pursuant to this paragraph must be of equal or higher skills, knowledge and abilities than those personnel originally assigned and that County's concurrence with a substitution will not be construed as an acceptance of the substitution's performance. The personnel furnished must have the knowledge necessary to complete requirements as defined in this Contract.

Upon request by County, Contractor shall replace any Contractor personnel who County determines, in County's sole discretion, to be unable to perform Contractor's obligations under the Contract, including but not limited to unacceptable or unprofessional personal conduct and/or professional inexperience.

3.0 County Responsibilities

3.1 The County's Project Manager will coordinate with the Contractor Project Manager regarding the delivery of Data Conversion Services. County's Project Manager will be available to Contractor Project Manager as needed to update Data Conversion Services to be performed efficiently, and will participate in meetings, training and user activities related to the delivery of Data Conversion Services as reasonably requested by Contractor's Project Manager.

3.2 The County will make available the Users and software call as necessary and appropriate to enable the implementation to proceed as scheduled.

3.3 County will ensure that End Users who participate in Training have the background and experience required to enable them to understand the subject material and how/when to use the Software - including operation of workstations in a MS Windows environment.

3.4 County will provide a training room to accommodate up to twelve students and one Invetor desk with their own PC.

3.5 The County is responsible for meeting the information technology infrastructure needs of the project, including procuring and leasing all hardware and software products, other than the software provided by Contractor, required for the Project. Contractor will provide advice and guidance as necessary to assist County in acquisition and configuration of infrastructure resources. Depending on the nature and extent of such assistance to be provided by Contractor, Contractor's services charges may be subject to non-current rates. Before any non-current technical services charges are incurred, Contractor will provide a formal quote for such services, which will be managed through the Change Request process.

3.6 The County will provide timely access to its office facilities for Contractor personnel as needed during County's regular business hours (Monday through Friday, 9am to 5pm) for the duration of the project. After-hours access can be arranged in advance with the County Project Manager. The facilities to be provided shall include work areas, desks and chairs, telephones and wireless access, and access to copier and fax machines.

3.7 The County will provide timely access to all areas of its premises required for Contractor to perform its responsibilities under this Contract. Access to restricted areas (including the server room, wiring closets, etc.) will require an authorized escort.

3.8 The County shall provide access to business operations and facilities data for its environment, as necessary to meet the objectives of this Project. The County shall provide the necessary associated data in the agreed upon standardized format required to complete

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affect the schedule of milestone tasks or that are considered to be of significant impact by either Project Manager will be handled in accordance with the Change Control Plan.

3.9 Deliverables: A list of the key Deliverables, a form for tracking the completion of the Deliverables and a sample of the Deliverable Acceptance Statement to be used in document completion of Deliverables. Deliverables will be tracked and County acceptance of Deliverables will be documented. Deliverable documents will be provided to the County Project Manager in an electronic format as well as printed documents mutually agreed by the project manager. Electronic documents will be deposited in the format of the tool used to produce the final Word, Excel, MS Project unless specified differently in the Deliverables. All deliverables must be mutually agreed by the project manager.

Where deliverables are not deliverable or where the deliverables are delivered by a means other than stated, the Contractor Project Manager will notify the County Project Manager by email that the deliverable is complete with an appropriate description of the delivery method and how the County can take possession of the deliverable. Where an agreed method includes a delay before the County is a recipient of the item or mail then the delivery date will be when the County receives the item.

3.10 Data Conversion Plan: A description of the overall approach, responsibilities and timing of the process for converting data from the County's legacy databases to the Legacy Software. The Data Conversion Plan will include a list of all data conversion steps. The County will design and develop the programs to extract and cleanse the data from the current data structures into an intermediate file format. Contractor will design and develop the programs to convert the data from the intermediate file into the new system files. Contractor will be the sole and fully responsible for all of the software tools that are currently being used by the County for the structure of the data in the structure of the data and the data conversion process.

3.11 Data Management Plan: A high-level description of how data will be identified, tracked, and reported. The plan should include a complete list of the messages used for logging errors and error resolutions.

3.12 Interface Requirements: A definition of external interfaces between the Software and other existing or planned information or communications systems. Contractor and County will have responsibility for providing and/or defining all of the interface requirements.

3.13 Training Plan: A description of the strategy for providing computer user training in all aspects of system usage, administration and problem resolution. It is a description of a Project to ensure the training strategy will include a needs analysis, define the user requirements and so on. It will include a statement of training objectives, organization of the training program, a list of training materials and a description of training strategies. Training will include classroom, hands-on and on-the-job training. Training will be conducted in the County's training room. The training room will be equipped with the necessary hardware and software to support the training. The training room will be equipped with the necessary hardware and software to support the training.

3.14 Training - Contractor will provide general user training to the County staff to be conducted by County Staff. The training will be conducted in the County's training room. The training will be conducted in the County's training room. The training will be conducted in the County's training room.

3.15 Project Closeout - County will provide general user training to the County staff to be conducted by County Staff. The training will be conducted in the County's training room. The training will be conducted in the County's training room. The training will be conducted in the County's training room.

3.16 Project Closeout - County will provide general user training to the County staff to be conducted by County Staff. The training will be conducted in the County's training room. The training will be conducted in the County's training room. The training will be conducted in the County's training room.

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Supervisors/Managers - County staff members who need to understand and facilitate the application of the system and act as a close working relationship with the County staff to ensure the success of the project. The County staff will be responsible for the day-to-day operation of the system. The County staff will be responsible for the day-to-day operation of the system.

6.7 **Risk Management Plan** - A document that identifies the risks to the project and the County staff responsible for managing the risks. The document will be updated as the project progresses and the risks are identified. The document will be updated as the project progresses and the risks are identified.

6.8 **Resource Plan** - A document that identifies the resources required for the project and the County staff responsible for managing the resources. The document will be updated as the project progresses and the resources are identified.

6.9 **Communication Plan** - A document that identifies the communication methods, frequency, and responsible parties for the project. The document will be updated as the project progresses and the communication methods are identified.

6.10 **Change Control Plan** - A document that identifies the change control process for the project. The document will be updated as the project progresses and the change control process is identified.

6.11 **Document Control Plan** - A document that identifies the document control process for the project. The document will be updated as the project progresses and the document control process is identified.

6.12 **Acceptance Plan** - A document that identifies the acceptance process for the project. The document will be updated as the project progresses and the acceptance process is identified.

6.0 Project Execution

6.1 **Contractor will manage the overall project effort and supervise each project subgroup leader with all project deliverables.**

6.2 **Contractor will provide regular status reports in accordance with the Communication Plan.**

6.3 **Data Mapping Review**

a. The data mapping review will be based on the Data Conversion Plan to complete a detailed study of the data sources and requirements.

b. The County will be responsible for providing information about the nature and quantity of the data to be converted. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

c. The Data Mapping Review will consist of the following tasks:

1. Confirm the source files containing data to be converted.
2. Identify the data elements to be converted to and converted from each source file.
3. Define the programs needed to extract the data.
4. Provide an approach to control and reconciliation to resolve the data file size of the mapping.
5. Identify data purification issues including problem, migration, and correction alternatives.
6. Document mapped data elements within a working document.
7. Provide a detailed mapping of source file data elements to the new system database.

6.4 **Data Conversion Development and Test**

The development and testing of data conversion programs will be primarily conducted by the contractor.

a. The contractor will develop and test the programs to extract the data from the source files and transfer them to the new system database. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

b. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

c. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

6.5 **Data Conversion Delivery**

a. The contractor will provide the converted data to the County staff. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

b. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

c. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

will be performed on the County's site on the County's equipment. The acceptance plan shall include the following provisions:

a. The review, approval and acceptance of all project deliverables will be the responsibility of County's Project Manager. The County will apply the following Software Acceptance Process in acceptance of all deliverables:

1. For the life of the Contract, County has the right to reinspect a review of any deliverable received from Contractor and notify Contractor of County's findings and
2. If the deliverable is unacceptable, Contractor shall rework the deliverable after the appropriate contract's modifications have been made.
3. The process described above will be repeated until final acceptance is obtained from the County within the irregularity of the Contract's termination.
4. Final Acceptance is defined as:
 1. The successful completion of all deliverables in accordance with the Professional Services and following the Software Acceptance Process described above and
 2. The final delivered product fully implemented in County's live production environment AND
5. County will have thirty (30) days following completion of the Software Acceptance Process or such other period that is mutually agreed to by the parties, which to accept or reject in writing. If County rejects a deliverable, County shall notify Contractor in writing for rejection and Contractor will use its best efforts to make the product conform to the requirements of the contract as soon as possible and incur additional cost to County. Contractor shall continue to use its best efforts to make the product conform to the requirements of this Contract until County accepts the product or terminates this Contract upon written notice to Contractor.

6.13 **Quality Management Plan** - A high-level description of Contractor's procedures for ensuring the overall quality and efficiency of the Software.

7.0 **Project Initiation**

7.1 Contractor will be in accordance with the Document Control Plan, establish a document control system that is available to County. County shall have the option of making all documents on available on County's intranet site, provided that all documents are treated as confidential and proprietary and not a matter of public record.

7.2 Contractor will include systems as described in the Project Management Plan for receiving and managing issues, risks, and changes.

7.3 Contractor will conduct product overview sessions demonstrating the features of the Software and will review how the Software will be configured to meet the State's needs. The purpose of these sessions is to:

- a. Identify all product configurations necessary to enable functionality to meet defined requirements.
- b. Identify business processes changes required to be supported by the Client in order to deploy the software, and
- c. Familiarize client resources with the software for ultimate production usage - as introductory informal training.

7.4 Contractor will install the Software onto a test workstation on County's Local Hardware for initial testing and training.

b. Contractor and the County will work together to define the process of extracting and loading the data to optimize time and resources required to execute the conversion at these separate points in time.

6.4 **Data Conversion Development and Test**

a. The contractor will develop and test the programs to extract the data from the source files and transfer them to the new system database. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

b. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

c. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

6.5 **Data Conversion Delivery**

a. The contractor will provide the converted data to the County staff. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

b. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

c. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

8.0 **Training**

Contractor will provide training in accordance with the Training Plan. Data users will be trained on the County's converted data. In addition to training with the converted data, the contractor will be responsible for providing information about the nature and quantity of the data to be converted.

10.0 **User Acceptance Testing (UAT)**

10.1 **User Acceptance Testing** is primarily concerned with testing the "usability" of the delivered software against the County's business requirements and the Product Feature List created by the County.

10.2 The County has the primary responsibility for conducting the testing with some assistance from the Contractor with process training and administration.

10.3 An outline of the conversion data and the UAT test cases will be provided to the County staff and tests will be conducted. If the UAT test cases are not completed, the Contractor will be responsible for providing information about the nature and quantity of the data to be converted.

10.4 Additional aspects of testing will be provided during the project. The contractor will be responsible for providing information about the nature and quantity of the data to be converted.

10.5 The following activities will be a part of the UAT process:

- a. Development of the Test Strategy Plan
- b. Development of Test Scenarios and Test Cases
- c. Execution of the Test Plan

- u Management, documentation reporting of test results
 - v Post status tracking
- 11.0 Project Deliverables and Deliverable Acceptance**
- Each of the Deliverables shall be a tangible product created by which the County Project Manager provides consistent verification that the County is satisfied that the Acceptance Criteria for the respective Deliverable have been met.
- The procedure for formal acceptance of a deliverable will have the following steps:
- a Contractor will complete the deliverable and present documentation or other evidence thereof to the County.
 - u For major project deliverables, Contractor will meet with the County Project Manager in person or by telephone to discuss the content of the deliverable and provide any points of clarification.
 - d A Deliverable Acceptance Statement (DAS) will be prepared by the Contractor Project Manager to the County Project Manager.
 - d The County Project Manager will review the DAS, confer with the appropriate team members and sign and return the DAS indicating acceptance, or in the case of non-acceptance, identifying the reasons for that non-acceptance.
 - ii In the case of non-acceptance of a deliverable, Contractor will confirm receipt of the County's non-acceptance and provide a written response detailing the plan to address the non-acceptance issue(s).
 - l The Contractor Project Manager will submit the response to the County with a Report and if the deliverable is not accepted, document the effect on the project in the next Project Status Report.
 - o The County will have an oral right to inspect, re-ject project deliverables, or otherwise request an exemption for deliverables. The instructions for approval of the submitted DAS is also defined for each deliverable. If this occurs the County will not respond according to the defined acceptance period for a deliverable. Contractor will assume the deliverable is approved.
- 11.2 Deliverables List** - Contractor will provide the deliverables described in the Deliverables List for the Deliverables List is subject to revision in the Deliverables section of the Project Plan.
- 11.3 Final Project Acceptance**
- a Upon completion of all Deliverables Contractor will present County with a Notice of Completion.
 - b Upon receipt of the Notice of Completion, County will (a) sign and return a Notice of Completion, including County's final acceptance of the project; or (b) submit in writing to Contractor notice of any errors that County believes exist within the following:
 - c If County has identified errors, Contractor will have a plan to correct any reproduction errors; if errors are defined in Exhibit C if no Plan is created, or if a plan is created has been submitted, then Contractor will provide a DAS to be included by County in memorandum Acceptance.

The chart below illustrates the timing and duration of the main activities and milestones of the project. The dates are estimates only and of the state of preparation of this Chart. The chart is intended as an overview to aid in the general understanding of the project activities. A more detailed schedule will be included in the Project Plan that will define the overall structure of the activity schedule and that will be used as the working schedule for the project. The County implementation schedule calls for up to 9 months deployment. The Project Schedule will be developed during the Project Initiation phase and will include analysis of the current business to be implemented by the System Release target date.

<Insert Project Schedule>

11.0 Additional Services

County and Contractor acknowledge that the Implementation Plan will from time to time be amended during the project. All amendments to the Implementation Plan shall be made in writing and a change control request form and signed by the Project Manager for each party. Services requested and provided by Contractor that are not set forth in the Contract shall be subject to the applicable rates as described in Exhibit D.

Exhibit B - Software Licensing

- 1.0 Agreement to License**
- This Contract provides for the license of Software by Contractor as licensee to County as licensee, in accordance with the terms and conditions of this Contract. Contractor shall license to County and County shall license from Contractor, the Software as described in Exhibit D - Schedule of Charges and Payments.
- 2.0 Grant of License**
- Unless the Contract is terminated in accordance with the provisions of Attachment I - Terms and Conditions, Contractor grants to County a non-exclusive, revocable and non-transferable license to use the Software (machine readable version) and Documentation (manual) in accordance with the terms and conditions of this Contract. Such use shall be limited to County use only on the Software system with the County which shall be the sole and exclusive holder of all rights in the Software, Copyright, Trademarks, Trade Secrets, and all other Intellectual Property rights in the Software and its Code, source, hardware and Enhancements created by data supplied by the County that remain the property of the County.
- 3.0 Right to New Versions**
- If Contractor creates a new version of the Software, Contractor will provide the new version to County at its address of record as long as the County is current with payments to Contractor for the Annual Software Subscription Fee. The delivery of each version and release will include installation, any necessary data conversions, and Release documentation that will include Release Notes and any updated Training materials prepared by Contractor. Notwithstanding anything to the contrary in this contract, the County shall not be responsible for the User Training with respect to each Version and Release. For each new version will include the necessary of Customization Enhancements and Release permission by Contractor and provided for under the Contract or any Change Order. County understands installation of the Version may require County to upgrade its Computer System.
- 4.0 Third Party Software**
- County shall assume its full and complete responsibility, as provided by Contractor, with respect to all reasonable requirements with respect to Third Party Software licensed or otherwise by Contractor. County understands, and agrees to the performance of the Software licensed or otherwise by the Customizations, and its use, requires to be in its direct control, and has no and approval of or approval of third parties.
- 5.0 Acceptance Testing**
- County shall test and accept the Software to verify that it conforms to the functional requirements in the Documentation at the time that the Software is delivered to County. Contractor will provide the necessary support and resources to assist County in the testing and acceptance of the Software.
- 6.0 Local Hardware**
- 6.1 In order to be executed and to perform in a satisfactory manner, the Software must be installed on local hardware that provides sufficient memory, random access memory, and storage resources to support the intended number of concurrent users. The local hardware will be subject to periodic testing and monitoring and monitoring. County is solely responsible for ensuring that the local hardware meets these standards and for ensuring that the local hardware is always available to the software systems owned by both parties.

- 6.2** The Local Hardware and third party technologies required to properly execute the Software may change over time. Ability to maintain, demonstrate, or computer resources may be required to execute County to use local use enhancements, including all the Versions of the Software. Contractor will make best efforts to provide County a minimum of 30 days' notice of additional third party software products that may be required, and furnish information to assist County to evaluate the impact of the enhancement, promotion or new version on network performance and to plan for network upgrades.
- 7.0 Rights of County as Licensee**
- 7.1** If the Software is licensed on a per seat basis, County may use an extra of the Software only on the licensed number of Seats designated on Exhibit D - Schedule of Charges and Payments. Unless otherwise provided on Exhibit D, County must purchase a license for each Seat that has access to the Software.
- 7.2** If the Software is licensed on a Site basis, County may use and execute the Software only in accordance with the operations of the Site. Unless otherwise provided on Exhibit D, County must purchase a license for each Site for which the Software is used.
- 7.3** County may make copies of the Software for backup and archival purposes only, provided that (a) no more than two (2) copies of the Software are in existence at any one time, and (b) Contractor's copyright and other proprietary legends are reproduced on each copy. County shall have appropriate records of the number and location of all copies and make such records available to Contractor upon request. All copies that are made by County shall be the property of Contractor.
- 7.4** County may make copies of the Documentation for County's internal use only, provided that Contractor's copyright and other proprietary legends are reproduced on each copy.
- 7.5** County may permit access to the Software to third parties for the purpose of backup, data analysis, and generating reports, subject to execution by said parties of a non-disclosure agreement to be provided by Contractor.
- 8.0 Restrictions**
- In addition to other restrictions set forth in this Contract, County may not:
- 8.1** Use, copy, modify or re-use the Software (electronically or otherwise) or any copy, translation, reproduction, or integral portion thereof except as expressly authorized under this Contract.
 - 8.2** Use the Software for any purpose for the benefit of any third party (including any type of government) other than the entity that executed this Contract in a commercial, retail, service bureau, or similar enterprise.
 - 8.3** Transfer, re-use, or license, or otherwise make available, either in whole or in part, any part of the Software, or make any Software and any other software or program, directly or indirectly, the subject and recipient of a database or other database file, including any file created by County under the Contract.
 - 8.4** Use the Software in any way that would require the Software to be installed on a computer, database, network, or other hardware or software.
 - 8.5** Without prior written approval of Contractor, modify or re-use the Software for any other purpose, including any type of government or other database or other database file, or use the Software, including any portion thereof, for any other purpose.
 - 8.6** Intentionally remove the identity of any provider legend from the Software or its Documentation.

8.0 Tools and Customizations

County shall not have any right to independently make changes to the underlying code of the Software. County may develop and shall retain ownership of, modifications to the Software for use with the Software provided that the modifications do not use any part of the Software or require any modification or alteration of the underlying code of the Software. Contractor shall own all right, title and interest (including all associated intellectual property rights) in and to any Customizations to the Software.

10.0 Documentation

Contractor will provide Documentation of the process and procedures for use of the Software, including all source code. Documentation will be embedded in the Software and accessible to End Users through a Help screen or menu.

11.0 Right to Audit

Contractor shall have the right up to two (2) times per calendar year and within ten (10) days of Contractor's written request during normal business hours and at times mutually agreed upon by the parties, to audit County's use of the Software to monitor compliance with the Contract. If an audit reveals that County has exceeded the restrictions on use, County shall be responsible for the prompt payment to Contractor of any underpayment of license fees.

County Initials _____

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Exhibit C - Software Maintenance

1.0 Scope of Software Maintenance

1.1 The Exhibit C covers the maintenance of Software licensed or provided by Contractor for the benefit of the County pursuant to the certain conceptually existing Software License Agreement (Exhibit B) between the parties, as stated on Exhibit D - Schedule of Charges and Payments. This Exhibit provides maintenance services only with respect to Software, including third party software, supplied by Contractor to County pursuant to the terms of the Software License Agreement. This Contract does not provide for maintenance services for any third party software not provided by Contractor to County or for any hardware.

1.2 Contractor's obligation to provide Support Services shall extend to the current Release and prior Versions whose Release number begins with the same number or immediately preceding number as the current Release. For example, if the current Release is 4.5, Contractor will support only those Versions between 4.x and 4.5. If County wishes support for earlier Versions of the Software, such support may be provided by Contractor in addition to such support services for which County will be billed at Contractor's then current time and materials rates. County understands that its implementation of a new Version of the Software is subject to Contractor's Computer System.

2.0 Term of Software Maintenance

2.1 The initial term (Initial Term) of this Exhibit C shall begin on the effective date of the Contract and unless sooner terminated or extended in accordance with the terms hereof shall continue in effect for sixty (60) months following the System Cutover. Unless sooner termination or extension in accordance with the terms hereof, the term of this Exhibit C shall remain in effect for a period ending on the date immediately prior to the fifth (5th) anniversary date of the Maintenance Agreement Effective Date.

2.2 Upon expiration of the Initial Term, subject to the same fees paid by Contractor during the prior term, services shall be provided in accordance with Section 2 below. Exhibit C will automatically renew for a successive period of one (1) year ("First Renewal Term"), on the last day of the County's fiscal year. Contractor will bill County at least ninety (90) days prior to the expiration date of the Initial Term and Exhibit C will not be renewed beyond the Initial Term. Thereafter, Exhibit C will automatically renew for successive periods of one (1) year ("Subsequent Terms") unless either party gives the other party written notice of non-renewal (60) days prior to the expiration of the then current Subsequent Term that such term will not be renewed. The Initial Term, First Renewal Term and the Subsequent Terms are hereby collectively referred to as "Term".

3.0 Software Support and Maintenance Fees

Software Support and maintenance fees shall be set detailed in Exhibit D - Schedule of Charges and Payments.

4.0 Hosting Services

Contractor shall arrange hosting of the Software on behalf of the County. For the Term of this Contract and any extension or renewal hereof, County will have the ability to access and use the Software on the hosted servers provided by the Hosting Vendor selected by the Contractor subject to the limitations and rights set forth in the Contract and the Hosting Services Agreement. Contractor shall notify County of any change in Hosting Vendor within thirty (30) days following

County Initials _____

Contractor Initials _____

such change. Contractor will make commercially reasonable efforts to choose a new hosting provider that establishes in the immediate area as set forth here:

hosting vendor, and where:

Should Hosting Vendor not be approved by County, Contractor agrees that County will be offered the option of purchasing servers and maintaining the system by County, or selecting a non-hosting vendor that is acceptable to both Contractor and County. If County decides to move to its own hosting provider or on premises there is the potential for lost functionality and the County will be responsible for all of the cost related to the move, including, but not limited to, access, data security, recovery, migration to the same and other considerations will be governed by an agreement between Contractor and the hosting vendor. County shall be solely responsible for accessibility as it relates to the Computer System, local connectivity to the internet and other County network functionality.

5.0 Data Backup, Retention and Disaster

Contractor shall be responsible for creating and maintaining timely, accurate and readable back-ups of all data, programs and system files. Periodically in accordance with industry technology best practices, Contractor shall restore such back-ups to a test server to verify that the data back-ups are readable and accurate or corrupted data.

Using appropriate and reliable storage media, Contractor will back up County data on a regular and backup cycle for a minimum of thirty (30) minutes, or as contracted with requirements in force, state and local law. At the end of that time period and at County's election, Contractor will direct the Hosting Vendor to delete or overwrite the backup copies. Upon County's request, Contractor will comply County with a cost estimate calculating the nature of the backup process, including the full file backup, the frequency of operation, and the method of operation. In addition, Contractor will provide notification of Department of Defense (DDI 5225-42-AM) for covered information systems of any kind that store, process, receive, transfer, or transmit information to or from a computer system.

6.0 Administrative Functions

Contractor shall provide the following administrative services regarding the maintenance of the Software: (a) software updates, (b) software monitoring and logging, (c) software updates, (d) software updates, (e) software updates, (f) software updates, (g) software updates, (h) software updates, (i) software updates, (j) software updates, (k) software updates, (l) software updates, (m) software updates, (n) software updates, (o) software updates, (p) software updates, (q) software updates, (r) software updates, (s) software updates, (t) software updates, (u) software updates, (v) software updates, (w) software updates, (x) software updates, (y) software updates, (z) software updates.

7.0 Confidentiality of County Information

Any information obtained by Contractor in a confidential or proprietary manner shall remain confidential and shall not be disclosed to any third party without the prior written consent of County. The system shall be designed to prevent unauthorized access of confidential information and shall be protected by a password that will be maintained by Contractor.

8.0 Enhanced Maintenance

Contractor shall provide to County, in all services required to ensure that the Software operates in conformity with the Specifications and all all Enhancements described by Contractor for the Software and related Documentation during the term of this Contract. Enhanced Maintenance Services do not include the costs of hardware and software licenses, or the cost of operating the Software, such as telephone, web, email, data, and other charges, or the cost of hardware, software, and other services and not subject to a charge by Contractor hereunder.

9.0 County Obligations

9.1 County may designate up to five (5) persons by whom requests of County for Support Services may be made ("Support Team"). Contractor shall not be required to accept calls or requests from anyone other than a designated contact person. County may change its designated contact person, or request that additional people be made contact persons at any time upon notice to Contractor.

9.2 County shall implement and follow the reasonable written instructions of Contractor regarding operation of the Software.

9.3 County shall maintain a Computer System that shall be housed with the conditions that conform to common industry standards for all computer systems and/or client devices. County shall be responsible for the purchase, installation, and periodic update of applicable software program to protect its Computer System from computer viruses that may, from time to time, be transmitted or downloaded. Contractor expressly disclaims any liability for loss or damage caused by any computer virus on County's Computer System, except those which may arise as established in Contractor's software or policies.

9.4 County shall, at its own expense, protect the security of its Computer System and adopt policies and procedures needed to restrict unauthorized access to the Computer System. Contractor shall not be responsible for any security breach or otherwise disclose any liability for loss or damage caused by the unauthorized access to County's Computer System other than that which is caused by an employee of Contractor. Contractor shall ensure that the Hosting Services Agreement includes provisions ensuring security of the Software and Data.

9.5 Software Administration. County, as a general matter, shall perform all tasks associated with the administration of the Software, other than those that are assigned to Contractor, including without limitation, installing, modifying, removing, and updating maintenance, updates, upgrades, and input and passwords.

9.6 Communications Equipment. County shall, at its sole expense, furnish and maintain all communications equipment that will permit County to have a high speed internet connection to the Software. County acknowledges that maintenance of the support team communications equipment is a condition precedent to Contractor's provision of use for the Software.

10.0 Compliance Updates

Where applicable, Contractor shall exercise due diligence in accordance with the highest professional standards and provide County with a timely manner with compliance updates. Contractor agrees to monitor changes in the applicable laws and regulations to help the County maintain the system compliance. Contractor agrees to promptly notify Contractor when it becomes aware of any applicable change in the laws or regulations which it believes are assigned to support. Contractor will not be liable for the 1000 hours of support that may be required to maintain the Software in compliance with applicable laws and regulations. The only way to meet a compliance update will be to update the Software. The only way to meet a compliance update will be to update the Software. The only way to meet a compliance update will be to update the Software.

11.0 General Level Agreement

11.1 Contractor will maintain a reasonable amount of staff to which County may turn for support regarding the Software and Support Services.

11.2 Contractor will maintain a reasonable amount of staff to which County may turn for support regarding the Software and Support Services. Contractor will maintain a reasonable amount of staff to which County may turn for support regarding the Software and Support Services. Contractor will maintain a reasonable amount of staff to which County may turn for support regarding the Software and Support Services.

County Initials _____

Contractor Initials _____

County Initials _____

Contractor Initials _____

11.2 All Contractor staff assigned to provide services to County will be appropriately qualified by education, training and experience to deliver those services, and will be familiar with the functional capabilities of the Software.

11.4 Telephone Support includes: (i) remote diagnostics (ii) service desk support (iii) desktop and server assistance, and (iv) non-chargeable user intervention. Contractor shall provide a toll-free maintenance telephone number. Remote diagnostic assistance is available as County's location for remote support is to be obtained by County.

11.6 Contractor shall provide County with telephone support services for Software from 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday, excluding County-reported holidays.

11.8 Response Policy
Contractor shall respond to any tickets received by County based on the priority code assigned to each ticket. County shall identify the priority code when it creates the ticket to Contractor. Contractor may, in its reasonable discretion, re-classify the ticket when it is more appropriate to the actual Contractor work effort; the service level response for the ticket is described in the table below. The County may request to re-classify the ticket as a higher priority code, which requires the Contractor work not unreasonably delay.

<Insert table illustrating negotiated Service Level Agreement, with definitions and response standards for each priority code.>

11.9 Remedies
In the event Contractor fails to meet the service level standards described herein, County may, without penalty, withhold payment for maintenance and support fees until said standards are met.

12.5 Right to Modify or Cancel Support

12.1 County may choose to terminate software maintenance and support at the next renewal date upon 180 days' written notice to Contractor.

12.2 County may delete a license or licenses and stop its license or licenses from software maintenance and support of the agreement and receive a full refund of the 180 days' notice to Contractor.

12.3 County may request software maintenance and support for licensed periods by paying Contractor an amount no greater than the support fee that would have been due if maintenance and support had been continued over the licensed period upon payment of such fees for the period period. Contractor agrees to provide County with right in any software regarding release during that period.

12.4 The parties agree that County may request technical services not covered under this Contract by changing to Contractor a Change Order request. Services to be provided pursuant to a Change Order may include, without limitation, services related to: (i) software training; (ii) programming, configuration and data migration or repair; (iii) research, development and testing services related to the software and testing for Customization and Enhancement. Contractor shall provide County with a written response to the Change Order request which discusses the nature of the work requested as a estimate of the time required to perform such services, and a schedule of the fees related thereto. For clarity, the scope and nature of a requested Change Order may include the development of specific requirements and an analysis of the impact on the Software and efforts to plan to provide detailed estimates for the requested work. The County understands and acknowledges that Contractor shall not undertake detailed specification development to estimate requested work a signed Change Order.

including such work signed by County. The County shall be charged at the rates set forth in Exhibit D for the development of requirements by Contractor. All work detailed in a Change Order will be performed on a time and materials basis at the rates set forth in Exhibit D, unless specified otherwise in the Change Order. Any impact on the Software License Fee will also be reflected in the Change Order.

County Initials _____

Contractor Initials _____

County Initials _____

Contractor Initials _____

Exhibit D - Schedule of Charges and Payments

1.0 License Fee
<Insert description of License Fee>

2.0 Implementation Costs
<Insert description of Implementation Costs>

3.0 Maintenance and Support Fee
The maintenance and support fees for the Licensed Software are as follows:

Year One	\$
Year Two	\$
Year Three	\$
Year Four	\$
Year Five	\$

The annual Maintenance and Support fee for Year One is provided in the Total Project Charges and will be paid in accordance with the payment schedule set forth in Section 5.1 of the Schedule D. Fees for subsequent years will be on the anniversary date the date of Acceptance.

4.0 Payments
4.1 Payment schedule based on schedule of deliverables

4.2 The schedule of payments described in the Schedule D shall be subject to the extent of the amount due Contractor as a result of Contractor's software upgrades or the delivery, purchase or equipment required by Contractor. Contractor shall invoice County monthly, and all other costs and charges incurred or to be incurred by Contractor.

4.3 Any cost of payments to the Contract must be approved by the County. Any payment to Contractor shall be made in accordance with the schedule provided herein, and shall be subject to the extent of the amount due Contractor as a result of Contractor's software upgrades or the delivery, purchase or equipment required by Contractor.

4.4 Payments will be made by County upon receipt by County of invoices from Contractor. Invoices will be submitted every 30 days to County for payment.

4.5 The amount of the invoice by County will not exceed County's total amount of the invoice. The amount of the invoice shall be subject to the extent of the amount due Contractor as a result of Contractor's software upgrades or the delivery, purchase or equipment required by Contractor. Contractor shall invoice County monthly, and all other costs and charges incurred or to be incurred by Contractor.

4.6 County retains the right to deduct any amounts that are or will become due and payable to Contractor from the amount of any payments to the County. Any amount that is not paid to County by Contractor shall be payable to County by Contractor.

4.7 The amount of the invoice by County will not exceed County's total amount of the invoice. The amount of the invoice shall be subject to the extent of the amount due Contractor as a result of Contractor's software upgrades or the delivery, purchase or equipment required by Contractor. Contractor shall invoice County monthly, and all other costs and charges incurred or to be incurred by Contractor.

costs that exceed the level budget as agreed upon by the parties must be approved by County's Project Manager.

5.0 Taxes
The fees set forth in this Contract do not include any amounts for taxes. Sales tax or other taxes, to the extent they apply, and the sole responsibility of County. Contractor will not submit an invoice that will Contractor collect such taxes from the County.

6.0 Payment Terms
All payments are due net 30 Days following County's receipt of an accurate invoice.

County Initials _____

Contractor Initials _____

County Initials _____

Contractor Initials _____

ATTACHMENT A TO CITY MODEL CONTRACT

Contractor will provide the following goods and services to the City of Susarwala

END ATTACHMENT A TO CITY MODEL CONTRACT

Attachment A - Requirements

[Faint, mostly illegible text describing requirements for Attachment A]

Page 1 of 1

Attachment A - Requirements

[Faint, mostly illegible text describing requirements for Attachment A]

Attachment A - Requirements

[Faint, mostly illegible text describing requirements for Attachment A]

Attachment A - Requirements

1. The following information is required for the application of the program:

- 1.1. A copy of the applicant's resume.
- 1.2. A copy of the applicant's current resume.
- 1.3. A copy of the applicant's current resume.
- 1.4. A copy of the applicant's current resume.
- 1.5. A copy of the applicant's current resume.
- 1.6. A copy of the applicant's current resume.
- 1.7. A copy of the applicant's current resume.
- 1.8. A copy of the applicant's current resume.
- 1.9. A copy of the applicant's current resume.
- 1.10. A copy of the applicant's current resume.

Attachment A - Requirements

1. The following information is required for the application of the program:

- 1.1. A copy of the applicant's resume.
- 1.2. A copy of the applicant's current resume.
- 1.3. A copy of the applicant's current resume.
- 1.4. A copy of the applicant's current resume.
- 1.5. A copy of the applicant's current resume.
- 1.6. A copy of the applicant's current resume.
- 1.7. A copy of the applicant's current resume.
- 1.8. A copy of the applicant's current resume.
- 1.9. A copy of the applicant's current resume.
- 1.10. A copy of the applicant's current resume.

Attachment A - Requirements

1. The following information is required for the application of the program:

- 1.1. A copy of the applicant's resume.
- 1.2. A copy of the applicant's current resume.
- 1.3. A copy of the applicant's current resume.
- 1.4. A copy of the applicant's current resume.
- 1.5. A copy of the applicant's current resume.
- 1.6. A copy of the applicant's current resume.
- 1.7. A copy of the applicant's current resume.
- 1.8. A copy of the applicant's current resume.
- 1.9. A copy of the applicant's current resume.
- 1.10. A copy of the applicant's current resume.

FINAL RFP - R.M.S./C.A.D System Recapitulation
 Proposal/Firm: **RIMS-SUNRIDGE SYSTEMS, INC.**

No.	Written Proposal Evaluation	Evaluator							Total
		1	2	3	4	5	6	7	
1	Reputation and Experience	5	5	5	5	5	5	5	35
2	Capability and Availability of Staff	4	5	4	5	5	5	4	32
3	System Capabilities	5	5	4	4	4	5	4	31
4	Financial Stability of the Firm	4	5	5	5	4	4	4	31
5	Cost	4	4	4	5	5	4	4	30
	Cumulative Total:	22	24	22	24	23	23	21	159
	Cumulative Total:	159							

Proposal/Firm: **Central Square**

No.	Written Proposal Evaluation	Evaluator							Total
		1	2	3	4	5	6	7	
1	Reputation and Experience	2	3	3	3	2	1	4	18
2	Capability and Availability of Staff	2	4	3	4	2	2	3	20
3	System Capabilities	2	5	3	5	4	4	4	27
4	Financial Stability of the Firm	2	1	4	5	1	1	4	18
5	Cost	2	1	2	2	1	1	3	12
	Evaluator Total:	10	14	15	19	10	9	18	95
	Cumulative Total:	95							

Proposal/Firm: **PTS Solutions**

No.	Written Proposal Evaluation	Evaluator							Total
		1	2	3	4	5	6	7	
1	Reputation and Experience	5	3	4	5	2	2	4	25
2	Capability and Availability of Staff	3	5	4	4	2	1	4	23
3	System Capabilities	3	5	4	5	3	3	4	27
4	Financial Stability of the Firm	2	1	4	5	1	1	3	17
5	Cost	3	4	3	5	2	3	3	23
	Evaluator Total:	16	18	19	24	10	10	18	115
	Cumulative Score:	115							



SERVICE and TECHNICAL SUPPORT

A reliable partner.

The successful launch of a new CAD and records systems is just the beginning. More important in the long run is your relationship with the vendor. Even if you are relatively satisfied with the system, you will certainly have occasions to seek support from the vendor when you have questions or issues. Your overall satisfaction will quickly be colored, positively or negatively, by how the vendor's support staff handles those calls. Do you just get a "ticket number" or do you get an answer? Are issues resolved or left dangling for months or years? Do you end up with a long, ever lengthening list of problems or a

tight, well-functioning system with satisfied users?

With Sun Ridge Systems, the answers to all the above questions are the right answers. We take customer support very seriously, considering it to be just as key to our business and reputation as the products we sell. For that reason, we encourage you to contact not just one but many of our agencies and ask them how we are doing our job. We don't think you will be disappointed by the response.

KEEPING YOUR SOFTWARE CURRENT

The last CAD system you will ever buy.

Computer systems age; software ages as technology evolves. Your needs evolve, too. The shiny new system you buy today will surely seem outdated within 10 years. The question is, will your vendor have been updating your software for those 10 years? Or, instead, will they be holding you hostage by charging you for life support of your old system while trying to get you to buy their "brand new" system?

With RIMS software, the answer is emphatically the former — your software never ages; your system never becomes obsolete. We do this by providing minor "fix it" software updates during the year as needed and a major new version once each year.

Besides being responsive to trends and requirements in our industry,

not to mention our ideas of innovation, the principal driver of our product evolution is . . . our users! Annually, we solicit a wish list of desired product enhancements from our users that is then discussed in detail at our annual users conference. From this, priorities are established and a master wish list becomes the blueprint for product development for the year. And these are truly enhancements, not fixes, on the order of 100 per year just for our base CAD and records management product.

Just as important, if you are paying for support services, you never pay for a software update or annual new version! You only buy RIMS once.

P.O. BOX 5071
EL DORADO HILLS, CA 95762

TEL: (800) 474.2565
FAX: (530) 672-2385
sales@sunridgesystems.com



Sun Ridge Systems, Inc.



RIMS RECORDS MANAGEMENT

Arm your department with information.

KEY RECORDS

Officer Reports/Cases

- True single point-of-entry system
- Unlimited narratives & supplements
- 14 screens of information available
- Automated case approval and records review with kickbacks to officers
- Case Investigation log, follow ups, and progress tracking for investigators

People

- Extensive personal information and contact history
- 13 screens of information available
- 20 warning and alert flags
- Associated persons and vehicles
- Unlimited aliases

Vehicles

- Vehicle history and persons associated with the vehicle
- Automatic updating to vehicle file from cases, field interviews, CAD incidents, permits and citations

Property

- Maintain full chain-of-custody record - held as evidence in and out of the system as well as in and out of the property room

Other Records Files

- Citations, field interviews, warrants, search warrants, civil, subpoenas
- Offender files including known offenders, sex offenders, narcotics offenders, parolees, probationers, arsonists, gang members, trespassers and others

Security

- Security by workstation and individual user

Search

- Create reports based on user parameters
- Search with partial or incomplete information
- Customize results for report creation
- Chart and graph with the click of a button

Special Records Features

- As information is entered into the system, it is automatically propagated to the master files - no matter where it is entered, even from CAD.
- RIMS mugshot and digital imaging software lets you capture pictures (and other digital images) for people, cases, vehicles, SMTs (scars, marks and tattoos), pets, property, premises, and citations.
- RIMS RMS supports the attachment of electronic documents, video, photos and audio for more than 25 RIMS files

Administration

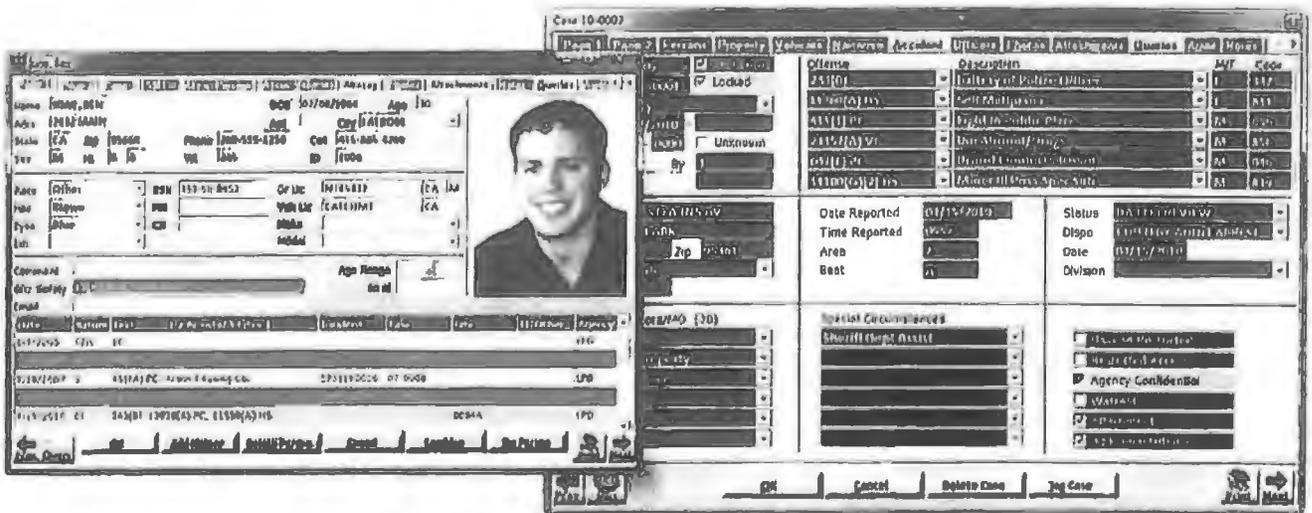
- Less paperwork - greater efficiency
- Store and track information relating to various permits, registration, and passes
- Supports a fully paperless department
- Fillable forms as attachments to Cases, Person Records and many more

Reports

- Produces the UCR report and automatically creates additional reports based on it
- Produces NIBRS reports, where required
- 35 statistical reports and unlimited ad hoc reports using the RIMS Search tool
- Clergy report for universities plus the California Arrest and Citation Register

Audit

- Full audit trail on all major records, including additions, deletions, viewings and print jobs



RIMS MOBILE COMPUTER SYSTEM

Specialized CAD and records management functions in the patrol car.

KEY FUNCTIONS

Our Mobile Computer System gives the officer in the field access to RIMS CAD and RMS to perform a multitude of valuable functions including the ability to:

- Run state/NCIC queries
- Receive incident dispatches
- Change status and clear incidents
- Add information and people to incidents directly
- Send RIMS mail to dispatchers and all other RIMS users
- Utilize a driver's license swipe
- Look up past incidents
- Obtain case numbers electronically
- Complete officer case reports
- Look up information from RIMS including: People, Vehicles, Citation Warrants, Offenders, Phone List, Premise File, Photos and much, much, more
- Review details of cases
- Obtain a unit activity log
- Check for location history of local addresses & premises
- Use the RIMS Search feature

RIMS PROPERTY ROOM

Inventory database and bar-coding system.

- Run on any computer currently supporting RIMS
- Print Property Item Labels, including the name of the department, report number, item number and the type of Property, i.e., Found, Evidence, Safekeeping, etc., as well as an abbreviated description of the property item
- Perform inventory reconciliation
- Display a property record by scanning the bar code
- Change status of a property item with the scanner
- Print Inventory lists
- Automatically notify the property room custodian when it's time check the status of various property types

ADDITIONAL PRODUCTS

Expand the access and reach of your RIMS system.

RIMS COLLABORATE DATA SHARING SOFTWARE

- Participate in a network of RIMS agencies that share data on people, vehicles, and officer reports via basic look up entries that transparently and securely query outside RIMS databases
- Generate the same detailed information personnel are used to seeing in their local records
- Access shared information from a patrol car or mobile command center via RIMS Mobile Computer software
- Search the records of a single or all connected RIMS agencies as well as the state and NCIC system with just one query
- Send RIMS mail messages in a secure mode to mobile RIMS users at any connected agency
- Establish a detailed profile of the kinds of data your agency is willing to share

CITIZEN RIMS

- Make selected crime data available to the public via the Internet on an easy to use, attractive web site - while giving you complete control over what data is presented and how it is organized
- Fully integrated with RIMS products unlike generic "crime mapping" products
- Accurate data, security controls, larger feature set, more information

iRIMS

- Access RIMS data anytime, anywhere via PC or cell phone
- Give authorized users secure access to an agency's records through a web browser within the agency's network or, if enabled, over the internet
- Requires no additional training
- Runs on the Apple iPhone and iPad plus Android phones and tablet computers

RIMS TRAINING INFORMATION MANAGEMENT (TIMS)

- Manage and track all officers and their training courses, certifications, dates, reporting requirements, and the myriad other details involved in running a training program
- Keep officers current with existing training requirements at the agency, state and federal level
- Track class and officer training expenses
- Track training sessions for a variety of other reasons - career enhancement, job specialties, and educational opportunities

RIMS JAIL MANAGEMENT (INCUSTODY)

InCustody™ is an information-rich command center.

KEY FUNCTIONS

Registration

Fully integrated with RIMS Records Management
Access person histories directly from InCustody
InCustody history appears in RIMS Records Management

Bookings

Booking procedures with the swipe of a driver's license
Manage multiple bookings at a time
Log property, place holds on records

Cells

Inmate cell monitoring system configurable by agency
Distinguish cells by facility, building, floor, section, cell, sex and bed.
Track keep-aways and reassignments

Medical

Set appointments
Track medications, vitals, TB info, charting, diabetic status, allergies and dietary needs

Commissary

- Track commissary balances
- Track item inventory, purchase and costs

Reports

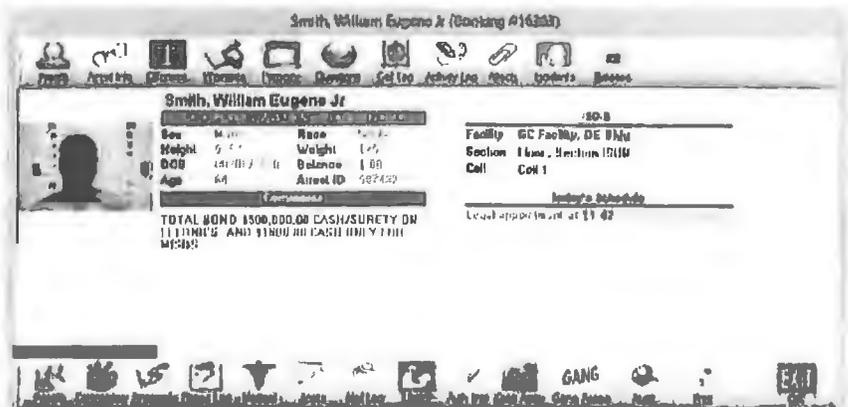
- 45 agency reports, including CA State Department of Corrections reports

Incidents

- Create and track jail incidents, including narratives

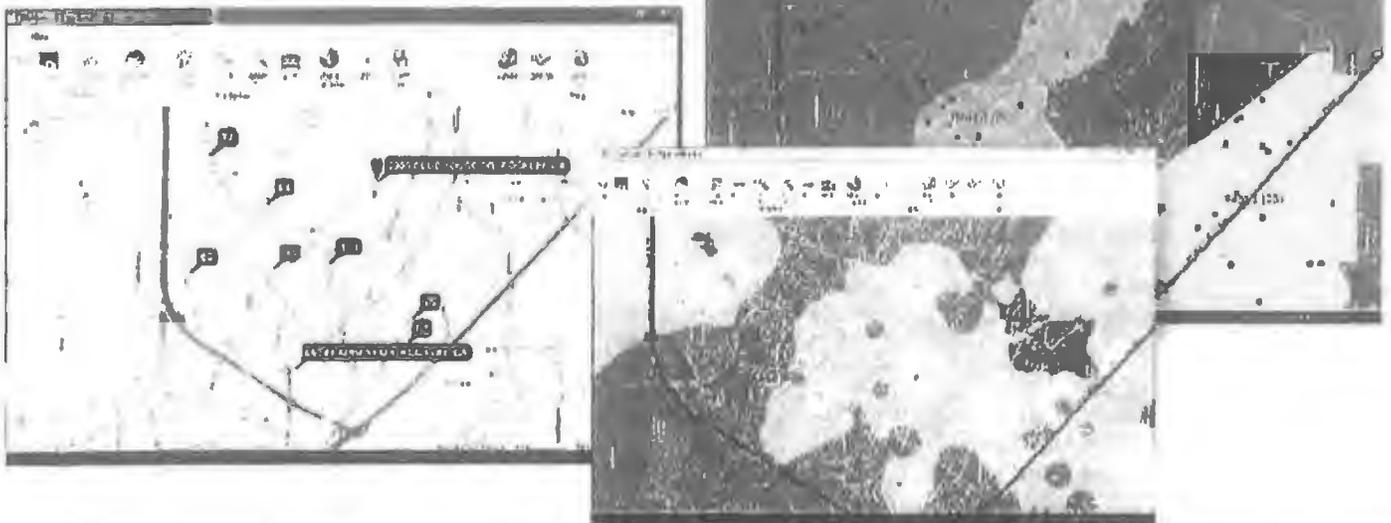
Optional Functions

- AFIS data downloadable to your fingerprinting computer
- Jail Unit Status Monitor – configurable by agency
- Electronic signatures for Incidents, Bookings and Questionnaires
- Interfaces for inmate telephone and commissary systems
- System generated armbands for inmates
- State NCIC/NLETS queries directly from a booking



RIMS MAPPING

- Real time picture - locations of all units and all active incidents
- E911 Phase II compatible
- Automatic display of caller location circle for E911 calls
- Landline calls automatically zoom the map to the exact address
- Available in station and in vehicle
- Easy to use, advanced crime analysis tools



RIMS COMPUTER AIDED DISPATCH

Multi-functional software for a dispatcher's multi-faceted job.

KEY FEATURES

Easy to use and easy to learn

- Supports both Law and Fire/EMS dispatch
- Transparently, 100% integrated with RIMS Records Management
- Use of command line, mouse or both
- Custom screen configuration per dispatcher
- Recommended units by unit type, priority, incident type and Beat/GPS location
- Connect to NCIC/Motor Vehicles to auto-run subjects and vehicles
- Pre-schedule incidents
- On screen help
- Customizable command line entry
- Automatic display of incident location history/hazards
- Automatic display of reporting party history/officer safety
- Shift Bulletin and Media Bulletin
- Detailed, customizable unit and incident status displays
- Five-way location verification
- Full access to Records information
- All the tools to enter initial incident information, dispatch units, and log everything that happens thereafter
- Use either entry screens or command line to enter Officer Initiated Activity
- All associated vehicles and persons automatically updated to (RMS) files
- Tracks towed vehicles and rotates tow company assignment

Search

- Built-in look-ups
- User-defined data search
- Search first name, partial last name, partial plates

Organization

- Eliminates unnecessary paperwork around workstations
- User directory, phone list, beat assignments, location history and ready reference file
- RIMS yellow sticky pad

Reports

- Reports include (but are not limited to): Incident Summaries, Patrol Statistics, Officer Log, Vehicle Log, Frequently Responded to Locations, and response times by day of week, time of day, priority and more.

The screenshot displays the RIMS 3-D software interface. The main window is titled 'Incident Entry' and contains several data entry fields. The 'Addr' field is set to '1161 E ST', 'Apt' to 'City OAKDALE', 'Type' to '415 PC', and 'Place' to 'MCDONALDS'. The 'Priority' is set to '2'. The 'Caller' field is 'HAMILTON, JANICE', 'Address' is '1001 E ST', 'Phone' is '209-845-2546', 'City' is 'OAKDALE', and 'RP Loc' is 'PARKING LOT'. The 'Base' field contains a detailed description: 'M vs F, verbal only, no weapons seen. Primary aggressor is M. Vehicle in parking lot is running with door open, unsure if children inside'. Below these fields are sections for 'Lic/St' (CATCHME, CA, 1995), 'Make' (MERCEDES), 'Model' (7400), 'Colors' (White), 'Beat' (B), 'RunCd' (1), 'Src' (1), 'Map' (12), 'Area' (5), 'Card' (K), 'Resp' (110, 110, 110), 'Cross' (EDINBORO AVE/MADISON AV), and 'Vtype' (V). To the right, there is a 'Location History' table with columns for 'Date', 'Time', 'Officer', 'Unit', and 'Status'. The table shows several entries, including 'PECK' (Assisted), 'FLAG' (Counseled and Released), 'FLAG' (Assisted), 'SMOKE' (Smoke Only), and '1425 PC'. At the bottom of the interface, there is a 'ProQA' section with icons for 'Street', 'Priority', 'Cancel', 'Ignore to Follow', 'Run Call', and 'Print'.

In a true emergency call, the dispatcher's first objective is to understand what the caller needs and dispatch the appropriate resource immediately. CAD should speed up this process, not slow it down with lots of required typing, tabbing between fields or switching between forms on a screen. RIMS does exactly this. With an interface to your E9-1-1 system, RIMS allows you to create and dispatch that incident in a matter of seconds.

RIMS 3-D

RIMS-3D lets you "drill through data." Display a detail record for any item (person name, vehicle license, case number, citation number, FI number, etc.) displayed on the screen by simply selecting with the mouse.



Sun Ridge Systems, Inc.



Integrated, Public Safety Software



DESIGN THE BEST SYSTEM

With more than three decades of continuous evolutionary development behind it, RIMS today is the most comprehensive, feature-rich system you can buy. Even better, because it is designed with an emphasis on a system-wide, consistent way of doing things with a minimal number of steps for the user, it's easy to learn and use without a lot of memorization. We're not the only ones who believe RIMS is the best system available. Our customers believe it, too. In fact, no one who has



PROVIDE THE BEST SERVICE

Any company can say they have satisfied customers, but we can say that we have enthusiastically happy customers who jump at the chance to recommend our system to other agencies. We generate this level of satisfaction through frequent product updates, an annual Users Conference, and prompt responses to questions and requests. But please, don't take our word for it — just ask any RIMS user.



OFFER THE BEST PRICE

Here's the bottom line on price: You can spend much, much more on a CAD and records management system and get a lot less than you will get with RIMS. We have proven this time and time again, replacing expensive systems that agencies couldn't wait to get rid of, making them happy RIMS users instead — more effective, efficient and better able to put all that information you gather daily to good use.

PROPOSAL VALIDITY PERIOD

The information in this proposal is valid for a period of ninety (90) days from the date written on the title page unless rescinded by Sun Ridge Systems, Inc. prior to such time.

**PROPOSAL FOR A
COMPUTER AIDED DISPATCH/
REPORT MANAGEMENT SYSTEM
FOR THE
LASSEN COUNTY SHERIFF'S OFFICE/
SUSANVILLE POLICE DEPARTMENT**

Sun Ridge Systems, Inc.
www.SunRidgeSystems.com
April 22, 2019

1.0 Cover Letter

April 22, 2019

Regina Mineau, Sheriff's Executive Assistant
Lassen County Sheriff's Office
1415 Sheriff Cody Lane
Susanville, CA 96130

Dear Ms. Mineau:

Thank you for the opportunity to participate in your Request for Proposal (RFP) process. Please find attached a detailed response to the items requested by your RFP. We believe our software products and services represent a superior total package that closely meets the needs of your operations as expressed in your RFP. Most significantly, they do so with excellent price/performance.

Equally important is the long history of the proposed products and their prospects for long term viability and continued development. Ideally, the system procured by your agency should not be a one shot purchase to be replaced a few years down the line when it becomes obsolete in either hardware or software. Instead, it should be the beginning of a vendor relationship that will support your expanding needs and future requirements. RIMS meets these requirements with its 30+ year history of customer support and 30+ years of continuous evolution to a product family that is superior today and will remain so in the future.

We look forward to working with you. If you should have any questions or require clarification, please feel free to contact Carol Jackson. She can be reached at (530) 474-2565 or CarolJ@sunridgesystems.com.

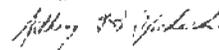
We provide the following information as required by the RFP:

Sun Ridge Systems, Inc.
P.O. Box 5071
El Dorado Hills, CA 95762

Federal Tax ID #: 66-0469181
Sun Ridge Systems, Inc.

We look forward to working with you. If you should have any questions or require clarification, please feel free to contact Carol Jackson, Director of Implementation. She can be reached at (530) 221-0663 or CarolJ@sunridgesystems.com.

Sincerely,


Gregory B. Jackson
President

Lassen County Sheriff's Office/Susanville PD
 Proposal for a Computer-Aided Dispatch/Records Management
 We have provided a list below of all 194 agencies in CA that currently or soon will be using RIMS. Our installations are not limited to California. We have scores of agencies using RIMS across the Country. We encourage you to contact ANY of these agencies and you will find a consistently positive message. However, it would be impractical to provide contact information for all of these agencies in this proposal so we have instead provide contact information for what we believe are agencies most relevant to your agency, be it in size, products used, or location. If there is an agency on our list that you wish to contact and the contact information is not provided here, please let us know and we'll be happy to provide that information to you.

We have experience replacing LEADS, having done so at 14 other agencies in California, as well as conversion of their data to RIMS at five of those agencies, the most recent being the Tehama County Sheriff's Office in 2016.

When contacting these (or any) RIMS agency, be sure to ask about the project (specifically the schedule), the products and the follow-on support when comparing Sun Ridge to their previous vendor/software.

Contact Information

1. Butte County Sheriff's Office
 Trina Wehle
 Dispatch Supervisor
 5 Gluck Way
 Orville, CA 95965

 530-538-7322
 TWehle@buttecounty.net

Vendor Replace by Sun Ridge Systems: Data911

2. Tehama County Sheriff's Office
 Lisa Callaway
 Sheriff's Office Administration
 22840 Antelope Blvd
 Red Bluff, Ca. 96080

530-528-8979, ext 1
 lcallaway@tehamaso.org

Vendor Replace by Sun Ridge Systems: LEADS

Sun Ridge Systems, Inc.

Lassen County Sheriff's Office/Susanville PD
 Proposal for a Computer-Aided Dispatch/Records Management
 8. San Mateo County Sheriff's Office

Jenna McAlpin
 Records Division Supervisor
 400 County Center
 Redwood City, CA 94063

650-802-4277
jmcalpin@smcso.org

Vendor Replace by Sun Ridge Systems: Tiburon

4. Calaveras County Sheriff's Office

Debbly Parsons
 Records Manager
 1045 Jeff Tuttle Drive
 San Andreas, CA 95249

Phone: 209-754-6570
debbly@ccsocalaveras.ca.us

Vendor Replace by Sun Ridge Systems: TriTech

5. Lake County Sheriff's Office

Captain Chris Chwalkowski
 1220 Martin Street
 Lakeport, CA 95453

707-262-4089
chris.chwalkowski@lakesheriff.ca.gov

Vendor Replace by Sun Ridge Systems: Data911

6. Humboldt County Sheriff's Office

Morgan Schluenger, EMT
 Emergency Communications Supervisor
 9-1-1 County Coordinator
 826 4th Street
 Eureka, CA 95501

Phone 707-476-2492
morgan.schluenger@hcs.humboldt.ca.us

Sun Ridge Systems, Inc.

Lassen County Sheriff's Office/Susanville PD
 Proposal for a Computer-Aided Dispatch/Records Management

Vendor Replace by Sun Ridge Systems: LogiSys

7. Fortuna Police Department
 Sgt. Charles Ellebrecht
 621 11th Street
 Fortuna, CA 95540

707-725-1445
charles@cpd.fortuna.ca.us

Vendor Replace by Sun Ridge Systems: HTE-SunGard

8. Citrus Heights Police Department
 Sandy Maravon
 Support Services Manager
 6315 Fountain Square Dr.
 Citrus Heights, CA. 95621

916-727-5557
smaravon@chpd.chsnet.net

Vendor Replace by Sun Ridge Systems: Spillman

9. Mono County Sheriff's Office
 Sgt. Shawn Minder
 100 Bryant Street
 Bridgeport, CA 93517

760-932-7349 x105
shawnm@mono-sheriff.com

Vendor Replace by Sun Ridge Systems: LEADS

10. Mammoth Lakes Police Department (multi-agency with Mono County SO)
 Krystle Stewart
 Records Manager
 568 Old Mammoth

Sun Ridge Systems, Inc.

Lassen County Sheriff's Office/Susanville PD
 Proposal for a Computer-Aided Dispatch/Records Management
 Mammoth Lakes, CA 93546

760-965-3712
kstewart@pld.mammothlakes.ca.gov

Vendor Replace by Sun Ridge Systems: LEADS

Comprehensive List of California Agencies

Police Departments

- Albany Police Department
- Allura Police Department
- Angels Camp Police Department
- Arcata Police Department
- Arvin Police Department
- Atherton Police Department
- Banning Police Department
- Bear Valley Police Department
- Beff Police Department
- Belmont Police Department
- Benicia Police Department (2019)
- Bishop Police Department
- Brentwood Police Department
- Bilsbake Police Department
- Broadmoor Police Department
- Burlingame Police Department
- California City Police Department
- Colusa Police Department
- Central MR in Police Authority
- Ceres Police Department
- Citrus Heights Police Department
- Clearlake Police Department
- Chico Police Department
- Colusa Police Department
- Colusa Police Department
- Corcoran Police Department
- Corning Police Department

Sun Ridge Systems, Inc.

Lassen County Sheriff's Office/Susanville PD
Proposed for a Computer-Aided Dispatch/Resource Management
Daily City Police Department

Davis Police Department
Delano Police Department
East Palo Alto Police Department
Escalon Police Department
Eureka Police Department
Fairfax Police Department
Fairfield Police Department
Folsom Police Department
Fortuna Police Department
Foster City Police Department
Galt Police Department
Gridley Police Department
Gustine Police Department
Hanford Police Department
Healdsburg Police Department
Hillsborough Police Department
Ione Police Department
Jackson Police Department
Kensington Police Department
Lakeport Police Department
Lemoore Police Department
Lincoln Police Department
Livermore Police Department
Livingston Police Department
Los Banos Police Department
Mammoth Lakes Police Department
Martinez Police Department
McFarland Police Department
Menlo Park Police Department
Newark Police Department
Newman Police Department
Oakdale Police Department
Oroville Police Department
Pacifica Police Department
Paradise Police Department
Parlier Police Department
Pleasant Hill Police Department
Red Bluff Police Department
Redwood City Police Department
Sun Ridge Systems, Inc.

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Lassen County Sheriff's Office/Susanville PD
Proposed for a Computer-Aided Dispatch/Resource Management

Nidecrest Police Department
Rio Dell Police Department (2019)
Rio Vista Police Department
Alton Police Department
Rocklin Police Department
Ross Police Department
San Bruno Police Department
San Mateo Police Department
San Rafael Police Department
Scotts Valley Police Department
Sebastopol Police Department
Shafter Police Department
Sonoma Police Department
South San Francisco Police Department
St. Helena Police Department
Stallion Springs CSD Police Department
Suisun City Police Department (2019)
Sutter Creek Police Department
Taft Police Department
Tehachapi Police Department
Vollejo Police Department
Weed Police Department
Williams Police Department

Sheriff's Offices

Alpine County Sheriff's Office
Amador County Sheriff's Office
Butte County Sheriff's Office
Calaveras County Sheriff's Office
Humboldt County Sheriff's Office
Lake County Sheriff's Office
Inyo County Sheriff's Department
Mono County Sheriff's Department
San Mateo County Sheriff's Department
Solano County Sheriff's Office (2019)
Tehama County Sheriff's Office
Tuolumne County Sheriff's Department

Sun Ridge Systems, Inc.

8

Lassen County Sheriff's Office/Susanville PD
Proposed for a Computer-Aided Dispatch/Resource Management
Schools, Colleges, Universities

Apple Valley USD Police
Cal Poly Pomona Police Department
Chaffey College PD
CSU Bakersfield Police Department
CSU Channel Islands PD
CSU Chico PD
CSU Dominguez Hills PD
CSU East Bay (2019)
CSU Fresno Police Department
CSU Fullerton Police Department
CSU Northridge Police Department
CSU San Bernardino Police Department
CSU San Marcos Police Department
CSU Sonoma Police Department
Fontana Unified School District PD
Foothill-DeAnza CCD PD
Humboldt State University PD
Kern High School District PD
Las Rios Community College District PD
Marin Community College PD
Mira Costa College PD
Ohlone College Campus PD
Riverside CCD Police
San Bernardino CCD Police
San Bernardino USD PD
San Diego CCD PD
San Diego State University PD
San Francisco State University PD
San Joaquin Delta Community College
San Jose State University
Santa Ana Unified School District PD
Santa Monica College PD
Stanford University Police
Twin Rivers Unified School District PD
UC Irvine Police Department
UC Merced Police Department
UC Riverside (2019)
UC San Diego Police Department
UC San Francisco
Sun Ridge Systems, Inc.

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Lassen County Sheriff's Office/Susanville PD
Proposed for a Computer-Aided Dispatch/Resource Management

UC Santa Cruz Police Department
University of Redlands PD
Val Verde Unified School District PD
Ventura Community College District Police

Others

Amador County District Attorney's Office
Amador County Probation Department
Bishop Paiute Tribal Police (2019)
Blue Lake Tribal Police
California Lottery
Clovis Community Medical Center
E & J Gallo Winery
East Bay Regional Parks
Erodit Recovery Inc.
Fresno Community Medical Center
Marin County District Attorney's Office
Montebello Town Center Security
Morongo Band of Mission Indians
San Manuel Indian Nation, DPS
San Mateo County Hospital
San Mateo County DA's Office
San Mateo Narcotics Task Force
Sunny Picture Entertainment, Culver City
Walt Disney Studios Security, Burbank

8. Key Personnel

The following Sun Ridge staff will participate in your project. All Sun Ridge staff report to the office in El Dorado Hills, CA. Individual team members can be reached by contacting the Project Manager, Carol Jackson at 530-221-0613.

All Sun Ridge staff participating in this project has at least one if not both of the following qualifications:

- Real life experience in law enforcement
- Many years experience in the public safety software business

Sun Ridge Systems, Inc.

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These qualifications remain in a well rounded team that works well together, while each member has their specific areas of expertise.

Carol Jackson - Director of Implementation

Carol will serve as your project manager beginning during the proposal and contract negotiations process through final acceptance. Carol has 30+ years experience specifically with public safety software with 20+ of those years in the management of small to large-scale public safety projects.

John Boren - Chief Technology Officer

John Boren began his technical career in IT support before joining Sun Ridge Systems. He has more than 20 years of RIMS specific experience. John serves as our Chief Technology Officer. He is the architect of the RIMS Mobiles, RIMS Mapping, RIMS State Switch and multiple other ancillary products. He will be directly involved during the installation of the various applications and will provide technical expertise as needed for the duration of the project.

Betsy McNitt - Director of Sales/Training

Betsy is a lead functional designer of RIMS CAD and RMS and has an encyclopedic knowledge of RIMS. She is also very familiar with police department operations from her experience working for an agency in central California. She and her team will play a lead role during the training and go live phases of your project.

Juleann Hunt-Osburn - Senior Training Specialist/Project Manager

Juleann started as a dispatcher for a large Northern California sheriff's office before going to work for a public safety software vendor. Juleann has over 20 years of experience in public safety software as a Project Manager and Trainer. She will be the lead trainer, functional data conversion manager and 'boots on the ground' project manager for your project, reporting to Carol Jackson. Juleann is also PMP Certified.

Mark Winkel - Senior Systems Analyst

Mark has an extensive technical background specifically in support of law enforcement technology. Mark has previously worked as the Chief Information Officer for the San Francisco Police Department and as the Information Technology Manager for the City of San Rafael. Mark is the RIMS Product Manager for the Mobile Computer and Property Room software and will share installation and application support duties with John Boren.

Sun Ridge Systems, Inc.

11

No

- Supported a program that required substantial fines or refunds that directly arose from program related activities?

No

Robert Perkins - Data Conversion Specialist

Bob also has an extensive public safety IT background and over 25 years of technical experience with public safety applications. Bob will be primarily responsible for data conversion and to date has successfully complete more than 25 of them, from various vendors including LEADS, into RIMS.

Michelle Edwards - Training/Project Specialist

Michelle has years of experience as a dispatch supervisor with Sun Ridge's oldest agency, the Rocklin Police Department. Michelle trains all aspects of RIMS, including dispatch, officer, RIMS Training Management software and RMS Property Room Software. Additionally, she has family connections to the Lassen County/Susanville area.

C. Statement of Events

- Was the company the recipient of any order, judgment or decree?

No

- Was the company's business the subject of any civil or criminal proceeding in which there was a final adjudication adverse to the company?

No

- Was a petition under bankruptcy, insolvency, or receivership filed by or against the company?

No

- Has the company:
 - Supported a program where services were terminated?

No

- Supported a program where services were temporarily discontinued directly arising from activities conducted by the company?

Sun Ridge Systems, Inc.

12

D. Financial Stability

The following are the Profit and Loss statements for Sun Ridge Systems, Inc. for the years 2014 - 2018. Sun Ridge Systems is a privately held S Corporation.

11:01 AM
04/18/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2018

CONFIDENTIAL

Jan - Dec 18

Ordinary Income/Expense	
Incomes	
1000 Software Sales	2,649,253.83
4100 Warranty and Support Services	2,188,246.25
4200 Installation Services	556,815.48
4300 Hardware Rentals	42,406.40
4700 User's Conferences	112,479.00
4900 Retained	2,096.00
Total Incomes	5,737,994.91
Cost of Goods Sold	
3000 Equipment purchased for resale	56,373.75
Total COGS	5,790,770.51
Gross Profit	
Expenses	
8100 Advertising	80,214.88
8120 Sales Service Charges	36.00
8125 Supplies Licenses	150.00
8130 Software promotion	100.00
8140 Controlling education	149.00
8142 Contributions	3,900.00
8142 Copy Costs	526.41
8150 Depreciation Expense	37,153.00
8160 Development Expenses	1,253.84
8165 Data and Subscriptions	4,755.05
8166 Insurance	112,230.74
8200 Internet Services	10,519.28
8220 Licenses and Permits	343.70
8240 Miscellaneous	897.95
8241 Other Supplies	4,887.88
8251 Office supplies	200.00
8262 Payroll processing fees	3,888.80
8263 Payroll Taxes	43,886.33
8264 Payroll	49.00
8265 Postage and Delivery	2,114.80
8266 Printing and Reproduction	2,840.87
8270 Professional Fees	42,950.16
8280 Profit Sharing	204,621.78
8285 Professional Fees	32,762.28
8300 Repairs	2,264.71
8350 Salaries	3,158,479.44
8374 State taxes	
8375 Tax - California Franchise	12,418.90
Total 8300 State taxes	12,418.90
7400 Property taxes - unamortized	267.97
8340 Telephone call phone	7,212.10
8341 Telephone - Other	11,140.81
Total 8300 Telephone	18,352.91
8448 Trade Show Expense	10,314.28
8380 Travel & Ent	142,583.17
8400 Utilities	1,194.81
8600 User's Conference Costs	80,860.00

Page 1

11:41 AM
04/18/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2018

CONFIDENTIAL

Jan - Dec 18

Total Expenses	4,127,700.62
Net Ordinary Income	1,610,294.29
Other Income/Expense	
6000 Interest	2,050.87
7010 Interest Income	10,702.81
7000 Other Income	1,608.10
Total Other Income	14,361.78
Other Expense/Expense	
Other Expense	3.77
Total Other Expense	3.77
Net Income	1,624,655.28

Page 2

11:40 AM
04/18/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2018

CONFIDENTIAL

Jan - Dec 18

Ordinary Income/Expense	
Incomes	
Other Incomes	1,352.95
1000 Software Sales	1,002,544.88
4100 Warranty and Support Services	2,223,848.21
4200 Installation Services	418,869.88
4300 Hardware Rentals	32,649.80
4700 User's Conferences	112,479.00
4900 Retained	0.00
Total Incomes	4,132,684.72
Cost of Goods Sold	
3000 Equipment purchased for resale	18,446.00
Total COGS	18,446.00
Gross Profit	
Expenses	
8100 Advertising	80,214.88
8120 Sales Service Charges	14.20
8125 Supplies Licenses	1,965.00
8130 Software promotion	1,200.00
8140 Contributions	3,900.00
8142 Copy Costs	182.00
8150 Depreciation Expense	12,137.00
8160 Data and Subscriptions	195.80
8166 Insurance	710,291.27
8200 Internet Services	9,922.30
8220 Licenses and Permits	25.00
8240 Miscellaneous	2,888.88
8241 Other Supplies	3,214.98
8251 Office supplies	3,797.43
8262 Payroll processing fees	10,800.00
8263 Payroll Taxes	1,452.88
8264 Payroll and Delivery	2,728.84
8265 Printing and Reproduction	41,795.40
8270 Professional Fees	236,813.31
8280 Profit Sharing	23,286.79
8285 Professional Fees	5,406,315.05
8300 Salaries	3,212.98
8374 State taxes	
8375 Tax - California Franchise	15,246.47
Total 8300 State taxes	15,246.47
7400 Property taxes - unamortized	275.76
8340 Telephone call phone	1,143.45
8341 Telephone - Other	7,343.25
Total 8300 Telephone	8,486.70
8448 Trade Show Expense	1,425.20
8380 Travel & Ent	60,422.77
8400 Utilities	1,361.54
8600 User's Conference Costs	95,760.00
Total Expenses	4,369,211.37
Net Ordinary Income	763,473.35
Other Income/Expense	

Page 1

11:40 AM
04/18/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2018

CONFIDENTIAL

Jan - Dec 18

Other Income	1,352.95
6000 Interest	22,436.10
7010 Interest Income	10,702.81
7000 Other Income	34,182.45
Total Other Income	56,674.31
Net Income	820,147.66

Page 2

11:26 AM
04/16/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2016

CONFIDENTIAL

Jan - Dec 16

Ordinary Income/Expense	
Income	
4000 - Software Sales	1,221,744.90
4100 - Warranty and Support Services	2,781,890.40
4200 - Installation Services	708,121.35
4300 - Hardware Sales	21,451.91
4700 - User's Contributions	143,283.47
Total Income	2,876,492.03
Gross Profit	
Expenses	
5000 - Taxes & Licenses	544.00
5027 - Internal Expenses	151.95
5100 - Advertising	21,370.01
5120 - Bank Service Charges	4.44
5125 - Business Licenses	899.60
5137 - Cost of Goods Sold	285.00
5150 - Computer	2,200.00
5160 - Contributions	2,500.00
5164 - Copy Costs	219.30
5168 - Depreciation Expense	16,779.00
5169 - Depreciation Software	2,884.00
5170 - Depn and Amortization	3,600.00
5180 - Insurance	99,237.25
5220 - Interest Services	10,535.51
5240 - Miscellaneous	1,301.82
5241 - Office Supplies	4,074.80
5242 - Payroll processing fees	4,473.88
5243 - Payroll Taxes	132,201.38
5250 - Postage	75.00
5255 - Postage and Delivery	3,653.91
5300 - Printing and Reproduction	2,822.00
5470 - Professional Fees	24,173.00
5500 - Profit Sharing	888,254.18
5520 - Professional Fees	18,246.12
5525 - Repairs	1,503.25
5600 - Salaries	2,729,826.94
5770 - Software	59,182.70
5774 - State taxes	
5775 - Tax - California Franchise	7,020.00
Total 5000 - Study Leave	7,849.00
7000 - Property taxes - unamortized	245.80
8140 - Telephone	
cell phone	4,819.88
landline	2,388.85
Total 8000 - Telephone	7,208.73
8240 - Trade Show Expenses	25,282.37
8250 - Travel & Ent	529,507.45
8400 - Utilities	1,488.05
8500 - User's Contribution Costs	491,178.78
Total Expense	3,021,989.99
Net Ordinary Income	854,502.04
Other Income/Expense	
Other Income	
7001 - Other Income - non-taxable	1,027.47

11:28 AM
04/16/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2016

CONFIDENTIAL

Jan - Dec 16

8200 - Interest	1,365.88
7010 - Interest Income	46,338.37
7020 - Other Income	17,184.79
Total Other Income	44,899.04
Other Expense	
Expenses	
Total Other Expense	0.00
Net Other Income	44,899.04
Net Income	900,401.08

11:27 AM
04/16/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2017

CONFIDENTIAL

Jan - Dec 17

Ordinary Income/Expense	
Income	
4000 - Software Sales	1,647,294.73
4100 - Warranty and Support Services	2,269,846.25
4200 - Installation Services	764,227.50
4300 - Hardware Sales	25,863.78
4700 - User's Contributions	195,074.17
4700 - Hardware	-721.36
Total Income	4,902,584.74
Cost of Goods Sold	
Gross Profit	
Expenses	
5110 - Auto Expense	3,421.30
5227 - Internal Expenses	25.36
5100 - Advertising	18,265.88
5120 - Bank Service Charges	30.00
5125 - Business Licenses	444.00
5137 - Cost of Goods	7,797.00
5160 - Contributions	2,800.00
5164 - Copy Costs	383.40
5168 - Depreciation Expense	22,818.66
5169 - Insurance	118,487.88
5220 - Interest Services	10,532.41
5240 - Miscellaneous	10,223.79
5241 - Office Supplies	525.45
5242 - Payroll processing fees	3,283.81
5243 - Payroll Taxes	4,149.75
5244 - Payroll Taxes	147,608.77
5250 - Postage	112.42
5255 - Postage and Delivery	3,024.87
5370 - Professional Fees	21,428.22
5500 - Profit Sharing	286,373.41
5520 - Professional Fees	30,526.61
5525 - Repairs	7,653,278.51
5670 - Software	22,438.50
5774 - State taxes	
5775 - Tax - Original Salaried Tax	28.47
5775 - Tax - California Franchise	37,128.82
Total 5000 - State taxes	37,157.29
7000 - Property taxes - unamortized	772.17
8140 - Telephone	
cell phone	1,063.54
landline	19,323.64
Total 8000 - Telephone	20,387.18
8240 - Trade Show Expenses	3,974.75
8250 - Travel & Ent	1,952,177.77
8400 - Utilities	1,868.79
8500 - User's Contribution Costs	45,610.52
Total Expense	4,887,187.60
Net Ordinary Income	1,015,397.14
Other Income/Expense	
Other Income	
Other Income	

11:27 AM
04/16/18
Cash Basis

Sun Ridge Systems, Inc.
Profit & Loss
January through December 2017

CONFIDENTIAL

Jan - Dec 17

Other Expense	
Expenses	
Total Other Expense	0.00
Net Other Income	0.00
Net Income	1,015,397.14

Jan - Dec 18

Ordinary Income/Expense		
Revenue		
4000	Software Sales	7,282,645.08
4100	Hardware & IT Support Services	4,274,807.92
4200	Installation Services	1,174,825.57
4300	Professional Fees	28,499.59
4350	Travel Compensation	227,326.49
	Total Revenue	13,387,904.65
Cost of Goods Sold		
5000	Hardware purchased for resale	19,200.00
	Total COGS	19,200.00
	Gross Profit	13,368,704.65
Expenses		
6000	Wages & Salaries	750,222
6100	Printing Fees	23,000.00
6200	Travel/Travel	1,000.00
6300	Auto Expenses	1,426.73
6400	Repairs & Maintenance	915.70
6500	Utilities	910.27
6600	Insurance	10,184.80
6700	Advertising	10,050.28
6800	Software Licenses	1,127.00
6900	Office Rent & Utilities	2,947.90
7000	Commutation	12,997.46
7100	Office Office	2,000.00
7200	Depreciation on Equipment	189.81
7300	Insurance	27,746.50
7400	Insurance	127,173.08
7500	Business Insurance	11,203.88
7600	Legal and Professional Fees	13,275.88
7700	Professional Fees	483.20
7800	Office Supplies	5,403.23
7900	Professional Printing Fees	2,865.04
8000	Travel Expenses	15,128.19
8100	Travel	523.00
8200	Travel and Delivery	7,888.83
8300	Printing and Reproduction	881.30
8400	Professional Fees	
8500	Accounting Fees	4,526.08
8600	Legal Fees	8,723.80
8700	Professional Services	
	Total 8000 - Professional Fees	42,219.46
8800	Profit Sharing	286,215.41
8900	Compensation Base	28,544.88
9000	Benefits	2,538,507.84
9100	Benefits	48,853.14
9200	Health Insurance	
9300	Health Insurance Business Tax	85.72
9400	Group Term Life	150.00
9500	Health Insurance Premiums	10,870.01
	Total 9000 - Health Insurance	11,105.73
9600	Property Taxes - Amortized	321.24
9700	Telephone	
9800	Telephone	688.54
9900	Telephone - Other	41,106.18

Jan - Dec 18

Total 6340 - Telephone		42,899.78
6340	Trade Show Expenses	33,474.88
6340	Travel & Fuel	1,424,825.91
6340	Vendor Conference Costs	1,999.14
	Total Expense	4,784,899.84
	Net Ordinary Income	8,583,804.81
Other Income/Expense		
Other Income		
8880	Interest	9,507.50
8910	Interest Income	58,805.30
8980	State Tax Refund	1,187.00
9000	Other Income	98,720.27
	Total Other Income	168,220.07
	Net Income	8,752,024.88

Lassen County Sheriff's Office/Contract PC
Proposal for a Computer Aided Dispatch/Records Management

E. Scheduling

Implementation of the RMS products is relatively simple and straightforward. It is a joint venture between vendor and client. This means that the client must allocate resources and work proactively with our deployment team to meet project schedule. There may also be dependencies on third parties that need to be identified and addressed as early as possible in the project. This is why strong project management is key.

We understand the County's need to replace the existing system as expeditiously as possible. A project schedule is a function of the time it takes the schedule begins (end of year) to add up to the total. The availability of necessary resources (other project already in progress for us), and your own scheduling considerations are a responsibility of your resources. A project deployment is a joint team effort between Sun Ridge and the agencies. For your information, our average schedule length, from contract signing to going live, has averaged 10-12 months over the past few years. This includes data conversion. It is also worth noting that we always meet the schedule we agree to. Please verify this with our references.

Lassen County Sheriff's Office/Contract PC
Proposal for a Computer Aided Dispatch/Records Management

4.0 Firm's Experience Summary

Sun Ridge Systems has a specific project deployment model that we have used, with considerable success, on all our projects and which would be applied to yours as well. Please refer to Section 6.

Sun Ridge currently has more than 100 agencies in California using our integrated CLETS link software, more than any other vendor. You may want to contact OAS and confirm their experience working with our staff and customer. In addition to the integration of common CLETS queries with RMS, we also provide over 100 of the CLETS masks for additional query and data entry. The masks are recognizable CLETS masks and include drop-down fields for ease of entry.

Since all of our projects follow the same deployment model, we suggest that you contact any of the agencies listed as a reference for our California list. And rather than us telling you about past projects and similarities to your project, we have chosen instead to let our customers speak for themselves on the following pages about their experiences with Sun Ridge Systems.



COUNTY OF SAN MATEO

Office of the Sheriff

GREG MUNKE
SHERIFF
CARLOS G. BOLANOS
UNDER SHERIFF
TRISHA L. SANCHEZ
ASSISTANT SHERIFF

400 COUNTY CENTER • REDWOOD CITY • CALIFORNIA 94063-1041 • TELEPHONE: (650) 596-1454 • WWW.SANMATEO.CA.GOV

GROUP 1 is a Communication to the Sheriff

May 15, 2014

Subject: Sun Ridge Systems

To Whom It May Concern;

In August of 2012 the records management system utilized by our agency experienced a catastrophic failure. The San Mateo County Sheriff's Office is responsible for providing police service to all of the unincorporated County areas, five contract cities, as well as our rail service and bus transit system. The failure occurred on a Thursday which completely devastated our abilities to document crime reports on the street and within our jail facilities. We had been working with the intent of moving our system to the Sun Ridge RIMS product, but before we could work out any specific details the worst actually happened due to the system failure.

Fortunately we were able to contact Sun Ridge Systems and in an unbelievable short period of time, less than 24 hours on Friday evening, Sun Ridge lent us their system so we could provide service. Our Information Technology staff worked alongside the most creative and experienced technicians I have ever encountered to make this adjustment happen (I must add we are in the heart of Silicon Valley where the tech industry is everywhere). The Sun Ridge technicians really proved their value to us and impressed our IT staff very much.

The Sun Ridge management team worked directly with me in a compassionate manner to ensure we understood the system and the requirements. Our Sheriff happily signed the contract which converted our entire agency over to Sun Ridge RIMS.

Every aspect of our purchased components was explained in detail and the training was excellent and convenient. Scheduling was easy and allowed us to be creative in order to save overtime cost for our staff. Staff members were able to grasp the system very quickly.

Once the dust settled from our crash, I found the Sun Ridge staff very responsive to questions or adjustments. The collaborative component is helping our Sheriff's desire to pioneer a sincere movement to *intelligence led policing*. We find that the RIMS information and ability to compile reports and instantly share data with other RIMS agencies is our foundation for this movement.

I am positive I would have been completely supportive of Sun Ridge if we had just purchased the RIMS product in the course of business. The system is intuitive and easy to understand, yet it provides so much. Two years of use has been exciting; maintenance and software updates are effortless. I have worked with plenty of software vendors that once they have a contract, their responsiveness sometimes wanes as they must concentrate on new clients. This is certainly not the case with Sun Ridge Systems as they are as responsive now as they were when I was fearful and expecting the worst from our incident.

Due to the fact that our opportunity arose out of crisis and the Sun Ridge team was responsive and caring to our dilemma, that they lent us their system so we could operate; this is beyond any expectation I would have ever had of any company.

In closing, I truly endorse the Sun Ridge System Records Information Management System. Their product is as sincere as their staff.

Please feel free to contact me if you have any questions: (650) 363-4452

Sincerely,

Greg Munke, Sheriff

By: John F. Quinnan, Captain



CITRUS HEIGHTS POLICE DEPARTMENT



June 9, 2014

Subject: Sun Ridge Systems Letter of Recommendation

To Whom It May Concern:

On March 19, 2012, our department signed a contract with Sun Ridge Systems, Inc. to procure a fully integrated CAD, RMS and Mobile Computer software package to replace our existing Spillman CAD/RMS systems. Sun Ridge responded in our Request for Proposal and was selected. The duration of the project, from contract signing to our ARMS go-live date, was approximately 3 months.

In addition to CAD, RMS and Mobile our contract with Sun Ridge included the following additional modules: 911 interface, CUBS interface, In-Station Mapping, Mobile Mapping, Property Room web interface, Map View and Digital Imaging and Copied interface. The project also included data conversion from our Spillman CAD and RMS data, installation and end user training services.

To date we have been using the Sun Ridge software for two years. It would be difficult to place an estimate on the many great qualities of their software and daily support. Our department would recommend Sun Ridge Systems software for many reasons, and in our specific case because it works so well within our agency. Sun Ridge uses the same pre-packaged for all their products; these are not interfaces to outdated systems. They have an outstanding reporting system with every report required that you can modify, and any of our members can create their own custom reports with ease. The interface is very easy for the officers, dispatchers and records staff to navigate. Sun Ridge daily support is excellent as they will get back to you within the day and they always resolve any and all problems. Our records staff has a 100% success rate in using their software. The company will not even attempt to interface with other CAD, RMS, or other systems. Most of the other vendors in the industry are in this position and their products are in constant state of change. While the Sun Ridge software has a couple qualities that I would like to mention, there are very few others. Overall the software works very well for our Department.

I have been in law enforcement for 24 years now and worked on 3 different CAD and RMS systems. I also manage all the technology, all other vendor software and hardware for our

Department. This includes daily maintenance and ongoing product support contract and contracts with vendors. My expectation of any vendor is to provide outstanding and responsive customer service. You can contact our Sun Ridge employees for that.

Normally it would be much easier to speak to you directly and answer any specific questions you might have about their product, customer service, company history, etc. Feel free to make a list and give me a call. I am happy to answer any questions honestly and provide any type of technology information. Thank you for your consideration.

Best Regards,

Sandy Markovic
Sandy Markovic
Support Services Manager
Citrus Heights Police Department
916-727-5557
smarkovic@chpd.org



**CITY OF GALT
POLICE DEPARTMENT**

June 9, 2014

Sheriff Dewey Youngblood
Kern County Sheriff's Office
1350 Norris Road
Bakersfield, CA 93306 2231

Dear Sheriff:

The purpose of this correspondence is to express our Computer Aided Dispatch (CAD) and Records Management System (RMS) vendor who we are currently considering. We highly recommend Sun Ridge Systems, RMS, who we have been using since September of 2012. The contract end date was November of 2012 in which time we took over operation of our new system. The training, technical support and customer service is excellent. This vendor is great to work with, extremely responsive, and very happy with their work. We have had virtually no problems since our initial implementation and the data.

The system is extremely robust, easy to use, and delivers exactly what we need from a CAD/RMS vendor. The software, dispatchers, and command staff thoroughly enjoy using RMS during their daily patrol, dispatching efforts and expedite RMS and great law enforcement partner.

I have used RMS in three out of the five of the law enforcement agencies I have been privileged to work for during my 30 years in policing and have seen no better system anywhere in the country.

If you have any questions about our strong endorsement, please feel free to contact me if I can help answer any questions that you may have.

Very truly yours,

Brian M. Vitzani

Brian M. Vitzani
Support Services Division Commander
Galt Police Department
435 Industrial Drive
Galt, Ca 95632
209-366-7037



City of Newark Police Department
3710 Newark Boulevard, Newark, CA 94560
Phone: (510) 276-4300 Fax: (510) 794-2267
www.newark.ca.us

06/10/2014

Regarding Newark PD experience with Sun Ridge Systems

to whom it may concern,

The City of Newark, California, installed the largest portion of the San Francisco Bay Area, the Newark Police Department, serves 66,000 residents with over 10,000 employees in law enforcement, public safety and other services. The Newark Police Department has operated for over 100 years.

During the installation of RMS we were looking for a highly technical CAD and RMS system with a large database and robust interface. We were looking for a system that was easy to use and had a large database. The other requirements of the system were that it be easy to use and have a large database. The other requirements of the system were that it be easy to use and have a large database.

After looking for a replacement CAD and RMS system that was able to integrate with our existing systems, we found Sun Ridge Systems. The other requirements of the system were that it be easy to use and have a large database. The other requirements of the system were that it be easy to use and have a large database.

Due to the pending support of our existing system, we were unable to find a better system. The other requirements of the system were that it be easy to use and have a large database. The other requirements of the system were that it be easy to use and have a large database.

The following three systems in Newark was able to work with us in system design and customization. The modules included were:

- o CAD
 - o 261 queue integration
 - o 24-1-1 and wireless 911 interface
 - o Mapping, In Station and Mobile
 - o Database with a growing RMS users (1000+)

(Includes continued)

- o RMS
 - o Integration of location and persons from CAD into cases
 - o Integration of DOI returns and Property queries
 - o Map (street/digital) imaging incorporation to Name files
 - o UCR/MACR reporting electronically through E-CAMS
 - o Property/Evidence information pushed to property mobile using bar coding
 - o Data Conversion of Names from prior system
 - o Data Conversion of Case Information from prior system
 - o Given access to crime maps via the internet (CitizenRMS)
- o Mobile
 - o Incident information displayed
 - o Mapping displayed on MDC's
 - o Status and location of other state law's companies
 - o DOI information
 - o Access to prior incident information
- o Crime and Activity reports
 - o Tools for crime mapping and analysis

Throughout the training and implementation the Sun Ridge staff was exceptionally helpful. Their client staff was very knowledgeable and patient with our employees. Much of the configuration and installation of servers was able to be provided remotely. Once support in the days prior to takeover was excellent but would add two more day working with our staff should time not have been so pressed.

Our go live target was reached, despite some anomalies in the structure of our prior database. Sun Ridge personnel continued to work on our data conversion until just before takeover to assure our information was in place.

As the Project Manager, I feel that their staff was very supportive. Their suggestions in cost savings were very helpful and cost and staff resources that were very helpful. I would like to thank them for their support and assistance in getting us up and running. I would like to thank them for their support and assistance in getting us up and running.

If you have any questions, please contact me.

[Signature]

City of Newark Police Department / Project Manager
310 778 4537 m.vitzani@newark.ca.us

City of Newark Police Department
 3701 Newark Boulevard, Newark, CA 74340
 Phone: (510) 376-4000 Fax: (510) 794-2224
 www.ci.newark.ca.us

Below is a list of contacts representing the different areas of our department.

Commander Michael Carroll		510-578-4220
michael.carroll@newark.ca.us		
Records Supervisor Jeremy Beck		510-578-4365
jeremy.beck@newark.ca.us		
Sergeant David Higbee	Patrol	510-578-4962
david.higbee@newark.ca.us		
Detective Ron Prados	Forensics/Tech support	510-578-4228
ronald.prados@newark.ca.us		
Officer Ssi Sardoval	Patrol	510-578-4980
scott.sardoval@newark.ca.us		
Matthew Raymundo	Dispatch	510-518-4737
matt.raymundo@newark.ca.us		
Marci Manuel	Dispatch	510-578-4237
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Lassen County Sheriff's Office/Sustanaville ND
 Proposal for a Computer-Aided Dispatch/Records Management

3.0 Work Plan

The key to managing a project are not lists of meetings and project issues. The key is having a plan and executing that plan in detail. Because we sell off the shelf software rather than custom systems, we especially have an implementation plan. We have found that implementation plans over many projects and many years. From the opening kickoff meeting in which our project manager presents the project plan and works with you to establish the project schedule, we follow that plan. Our project manager not only manages the tasks we have to accomplish, but also identifies in detail the tasks and due dates for your department and tracks those to their timely completion as well. This continues until the day your users actually switch over to RIMS (with us on site), a day that is potentially stressful - but won't be because your department and your personnel will be fully prepared.

A project schedule needs to be carefully considered based upon the following project requirements:

- First, external interfaces may require a software development cycle (determining requirements, communicating with the other vendor, developing the software, and then installation and testing). Some items may not be able to be delivered until sometime after the go live date.
- Second, although we have experience converting LEADS CAD and RIMS, years of experience tells us that every data conversion is a project unto itself, requiring time to obtain the data, edit our conversion programs, and then iteratively have you test the converted data and for us to correct the imperfections you find. And the conversion process must be completed before you go live.
- Finally, you will need to ensure that your project resources are available and ready to respond as required to ensure your portion of the project responsibilities are completed in compliance with the schedule.

We schedule our projects on a first come first scheduled basis. This means that if another contract is signed before yours, that project will be scheduled into the first available time slots. In other words, we are not able to reserve specific timeframes for your project until there is a signed contract.

Lassen County Sheriff's Office/Sustanaville PD
 Proposal for a Computer-Aided Dispatch/Records Management

A. Core System and Modules

Almost all CAD and records systems share a common set of basic functions, but that is often where the similarities end. Evaluation checklists can verify the presence of individual functions but they cannot tell you how the function is implemented, how easy it is to use, how well it works in the real world, or how fast the system is. These are all issues that are critical to your users. And they are issues that are approached with widely varying degrees of success by different vendors.

We believe that RIMS offers considerably more than "basic dispatching" and records and possesses distinctive features and functions that set us apart from our competition. We have specifically identified three areas in which we excel: ease of use, functionality and performance. In concentrating on these areas over a period of years, we have created a CAD and records system that is demonstrably better than any other.

Exceptional Ease of Use

RIMS is designed to be so easy to use that you can teach yourself (although we do provide training and installation services). On one occasion, someone whom we sent a trial copy of RIMS began using it to do actual dispatches two days after receiving the product.

RIMS uses function keys, commands, menus, forms, and the mouse in its user interface. The method best suited to a function's optimal performance is used. Some functions allow multiple methods to complete an operation for even greater flexibility. This user interface makes RIMS readily approachable by casual users without requiring a great deal of memorization.

RIMS is designed to minimize the number of actions (keyboards or mouse selections) needed to perform each function. The goal is one action for any function - rarely will a function require more than two or three actions.

RIMS is further enhanced by the wealth of required and reference information that is provided automatically. For example, during the incident entry process RIMS (as CAD) can automatically provide up to 20 pieces of information to the call taker or dispatcher. And upon clicking the key you want to find a "verify location" or a "transfer E9 1-1 information" function key in RIMS. A major advantage that RIMS has over many competitors is its **total integration of records management functions into the CAD world**. Actually, in RIMS there is no clear distinction between CAD and records other than those defined by user security at your discretion.

Superior Functionality

RIMS functionality extends far beyond the basic functions to include many "niceties." Many of these are functions our customers have asked for over the years to make their jobs easier. For example, RIMS can produce a log of a unit's activity for review in two clicks of the mouse. This provides a quick answer to the common officer question "What was the address of that domestic I responded to this morning?" As another example, a unit bulletin provides an easily read summary of a unit's (or day's) activity, complete with the text of the incident, responding units, and disposition. You can even edit the bulletin before printing it!

Unbeatable Performance

Speedy response times and high throughput have been part of the RIMS design concept from the beginning. It's enhancing RIMS we constantly look for ways to shave seconds off response times while adding still more functionality! The goal is to perform all dispatch functions in one second or less. Of course, from the dispatcher's or call taker's viewpoint, the goal is to never have to wait for the computer. Our ongoing testing program stress tests RIMS and identifies potential processing bottlenecks that we can address to further improve performance.

Another common measure of performance is how fast the system can process incidents, stated in incidents per hour. "Processing incidents" encompasses all of a dispatcher's typical activities: creating incidents, displaying each one multiple times, dispatching one or more units, adding comments, entering status changes, and closing the incident. RIMS has been tested at over 500 incidents per hour. Most agencies do not handle this many incidents in a day. You will never outgrow RIMS.

RIMS CAD Overview

As stated earlier, ease of use and functionality are hallmarks of RIMS. Besides those noted, RIMS possesses other notable features. Among them are:

- A complete set of on-line help screens is provided. Explanations of functions and commands are always only one keystroke away and the help screens are specific to the function currently underway.
- Data validation is enforced for all applicable data items. Entry of an invalid value causes a window of valid entries to be automatically displayed from which you can select the correct value with the mouse.

- Any action can be interrupted (via function key or mouse) to perform common dispatch functions such as unit status changes. RIMS then automatically returns to where you left off.
- You are never more than one keystroke (or one mouse click) away from completely exiting the current function and returning to the main screen.
- Suspend a particular incident entry, go on to another one, then retrieve the first one.
- You can move the cursor to any entry field in a form: with one click of the mouse.
- Common actions have extra large mouse targets to make them easy to select.
- Overlaying windows of varying colors enhances readability.
- Use your own statuses, dispositions, etc. You can even pick your own screen colors.

Of course RIMS has a large complement of standard CAD features too. An abbreviated list of standard features includes:

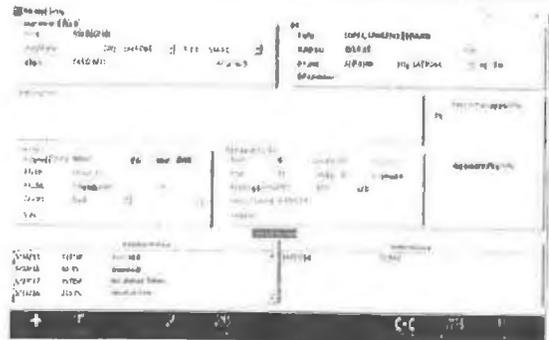
- Automatically display incoming E9-1-1 information
- Verify incident locations with geographic data file
- Enter, display and update incidents
- Unlimited comment entry for each incident
- Cancel incidents
- Dual entry forms (call for service/officer initiated)
- Dispatch units and update status
- Display incident status summary
- Display unit status summary
- Recommend units by incident type, location and priority
- Reopen a closed incident
- Log all actions
- Duplicate incident check
- Tow truck recommendation and rotation
- Supports separate call takers and dispatchers
- Supports separate fire/EMS dispatch
- Exchange one unit for another
- Reassign a unit from one incident to another
- Free a unit from an assignment
- Change primary unit
- Create a case from an incident
- Retrieve location history
- Verify address without creating incident
- Dynamically map incident locations
- Log all transactions
- Maintain on-line chronologies of all transactions
- Support an on-line ready reference file

- Change limits
 - Display unit information
 - Retrieve unit log information
 - Display fire run card with incident
 - Display incident history listing with incident
 - Use run cards for fire unit recommendation
 - Automatically do all reference checks
 - Display officer safety flags
 - Integrate electronic mail
 - Display calendar
 - Clear all assigned units at one time
 - Display beat assignment
 - Integrate with mobile computer system
 - Integrate with fire station printers
 - Easy maintenance of all data files

RIMS InstaCAD

In a true emergency call, the dispatcher's first objective is to understand the caller's problem and dispatch the appropriate resources. Immediately CAD should speed up this process, and display data with little or no need for typing. RIMS InstaCAD does exactly that. With an interface to your E9-1-1 System, RIMS shows you the exact address and dispatch that incident occur needed with no typing and just two clicks of the mouse button! Your total response time as little as two seconds! Then, with responding units en route, RIMS lets you fill in the rest of the caller's information. Here's how it works:

1. As you answer the phone, RIMS receives the caller's telephone number and address (E9-1-1) from your E9-1-1 system (and subscriber name if available). It uses this information to automatically look up a variety of information: from E9-1-1 to the dispatcher, including geographic information such as cross street, police beat, and fire run card responsible agencies and map page.
2. RIMS then automatically presents the incident entry screen with all of this information already filled in. If the incident location is different from the caller's location, you must type it in, but otherwise...
3. Click on the incident type to display a list (examples: structure fire, robbery in progress, heart attack) and click again to select the one you. RIMS immediately displays a list of the units recommended for response.
4. Click again to dispatch the recommended unit(s).



Sample CAD Incident Entry Screen

Three clicks and you're done! To make it any quicker, RIMS would have to answer the phone! Even if you don't purchase our E9-1-1 interface, your additional work is limited to entering the incident location; RIMS then instantly fills in all the rest of the incident data.

Besides the geographical information already known, RIMS automatically retrieves and displays the following information as soon as you enter the location for get it from E9-1-1:

- Beat name ("ACO REL" in the figure) is determined from the street address and the RIMS Prebuilt file.
- Incident priority ("PRI") defaults to the priority associated with the incident type but can be overridden by the dispatcher.
- Previous incidents at the location are listed with the incident number, type and hour/description.

• **Premises** incidents in which a vehicle was involved have a special warning indicator.

- **PICTURE** is a mouse target that allows the dispatcher to display a picture associated with the location. This can be a building drawing, fire preplan drawing, apartment complex layout, or any other graphic you may create.
- **PREMISE** is a mouse target that allows display of premise and hazard information associated with the location.
- **Location History** - When the location information is entered, RIMS searches its database and automatically displays a list of all previous incidents at that address.
- **Caller History** - When the caller name is shown and RIMS finds the name in its Master Name file, RIMS immediately and automatically displays a history of previous contacts with the caller in the "Caller History" area of the display.

The caller history display includes notification of pending warrants for the person, recent arrest or suspect information, and any officer safety notifications. (Note: The Records Management System is required for this function.)

RIMS provides up to 20 pieces of information to the dispatcher, all automatically.

RIMS 3-D

RIMS-3D is a feature unique to RIMS that allows you to "drill through data." RIMS-3D lets you display a detail record for any item (person name, vehicle license, case number, citation number, FI number, etc.) displayed on the screen by simply selecting it with the mouse. For example, selecting a displayed person name will display that person's record. But that is only the beginning of what you can do with RIMS-3D. Consider the following scenario:

Suppose you are investigating a certain Mr. Wismer regarding a vehicle theft and have displayed his person record. Using the RIMS "Associated Persons" function with a click of the mouse button you display a list of every person ever associated with Wismer. A Mr. Benton interests you; you click on his name to display his record. A 1991 arrest for vehicle theft catches your eye; you click on the case number to display it. Wismer hadn't been involved in that one but it involved a BMW, just like the present case. Maybe you should talk to Benton, and drill a little deeper.

Records Management System Overview

RIMS records management provides a comprehensive set of police records management functions. RIMS Records is designed to tie all recorded information together without requiring explicit operator action. Special records features include:

- All information is entered once and automatically propagated to the master files, no matter where it is entered. For example, when you look at a person's record you will see a history of every contact with that person that has ever occurred.



- A computer-generated case log is maintained and can be printed, eliminating the need for manual logging.
- Information recorded for case associated persons is customized to their involvement. For example, information recorded for suspects is different from that recorded for victims.
- A generalized data retrieval method for searches and reports is provided to allow information retrieval on almost any item.

A summary of RIMS Records components includes:

- Case (Officer Report) Log maintenance
- Case report information including all the constituent parts of the case report such as where, when, method of entry, stolen property, reporting party, victims, witnesses, suspects, officers, vehicle narrative, approvals, notes, attachments, photos, and routing



- Case investigation management
- Alpha (name) information
- Citations
- Vehicles
- Property
- Warrants
- Search Warrants
- Arrests
- Pawn
- Accidents
- Stolen Vehicles
- Case Investigation
- Civil
- Agency Subpoenas
- Subpoenas for Citizens
- Protection Orders
- Missing Persons
- BOLDS for Vehicles
- BOLDS for Persons
- CFW

Treatment Purchase Details

- Document Release Log
- Prns Release Log
- Notifications (when someone accesses a logged record)
- Known Offenders
- Sex Offenders
- Narcotics Offenders
- Parolees
- Probationers
- Arsonists
- Gangs
- Gang Offenders
- Trespassers
- PRCs
- Officers
- Field Interviews
- Bicycles
- Pets
- Electronic Mail
- Vehicle Maintenance

Mobile Computer Software Overview

The RIMS Mobile Computer Software brings comprehensive data access and unit status reporting directly to the officer in the field. It accomplishes this through a continually evolving design, utilizing the latest in laptop and mobile computer technology. With the Mobile Computer Software, officers in the field are linked directly into the RIMS system, giving them complete control of their information.

Our Mobile Computer Systems gives the officer in the field access to RIMS CAD and RIMS to perform a multitude of valuable functions including the ability to:

- Run State/NCIC queries
- Receive incident dispatches
- Change unit status
- Email dispatches and all other RIMS users
- Obtain case numbers electronically
- Look up past incidents
- Obtain summary lists of currently active incidents
- Obtain summary lists of current unit statuses
- Enter officer reports

- Review details of a case
- Check vehicle information
- Check person information
- Obtain a unit activity log
- Check for incident history of local addresses

In-Station Mapping Software Overview

Using ESRI-based map data you provide or Google Maps, we are able to create maps which are fully integrated with RIMS. In-Station Mapping provides dispatchers with ability to see, at a glance, CAD incidents and statuses. When integrated with E911, the caller's location is also displayed. And when integrated with E911 that is Phase II compliant, cell phone calls with radius of certainty for exact location (if provided) also automatically display. Another benefit for dispatch is that units that are GPS enabled will also appear on their maps.

For records users, In-Station mapping can be used in combination with ad-hoc searching to generate pin maps and assist in crime analysis of CAD incident and officer report data.

If you choose ESRI as your map source, please note that our proposal does not include the requisite ArcView software which is required for any workstation that will use RIMS In-Station Mapping. If licenses are not already available in the County, you will need one copy of ArcView GIS v10.1 (or later) that can be used for the first position, and then a copy of ArcGIS v10.1 (or later) Runtime Engine for each additional in-station workstation that will use RIMS Mapping.

Mobile Mapping Software Overview

Using the same ESRI-based map data or Google Maps, this product extends map display capabilities to the mobile units, including real time unit/incident maps.

Citizen RIMS Software Overview

Today, the public is used to being able to look up just about anything on the Internet and that certainly includes "government" information. And publishing such information is good public relations for a government agency and also has the benefit of saving personnel time by reducing the number of requests for information they must handle.

Law enforcement agencies are no different in this regard. Citizen RIMS software lets you make selected crime data available to the public via the Internet. The idea is to make as much information as possible available in an easy to use, attractive web site while at the same time giving you complete control over what data is presented and how it is organized.

Unlike generic "crime mapping" products, Citizen RIMS is able to take full advantage of being a product developed by and fully integrated with other Sun Ridge Systems products. In fact, Citizen RIMS is designed to work only with RIMS. The significant benefits of this integration include more accurate data, respect for department security controls, a larger feature set, and more information for each function.

It is important to note that as part of the configuration parameters you decide which features you enable or disable.

- **Live Incident mapping.** This shows what's going on right now, mapping currently active calls for service (and officer initiated activity if you so choose). Clicking on the map icon for an incident displays (limited) data available for the incident. This function also has a feature that lets the user "slide" a control on the screen to move through what was currently going on at any point in the past 24 hours. For example, news media or citizens can locate an incident that happened an hour or 10 hours earlier in the day. You control exactly what incidents are published -- you design and name the categories you want, the map to show and set up the offense codes you want to associate with each category. For security purposes, it not only respects an incident's Agency Confidential flag but the incident also has an "Include in Citizen RIMS Live Display" check box to allow/disallow mapping of particular incidents when needed. Also, when mapped an incident location is deliberately blurred to the nearest hundred block level.
- **Incident mapping.** This is pin mapping for historical RIMS CAD data with the user picking the date span to be mapped. It is otherwise similar to the Live Incident Mapping function using the same mapping categories described above.
- **Alerts.** This feature lets site visitors subscribe to a free service that emails new incident/crime data on a daily or weekly basis.
- **Arrests.** An arrest log will let the user display arrests for the past 24 hours or up to the last 30 days of arrest data. The log will display basic information, but each arrest will have a link to a page that shows detailed arrest info plus personal data (allowed by statute) and the mug shot. A new check box on the RIMS arrest page will let you block particular arrestees from being included in the log when needed.
- **Crime Stats.** This function shows summarized crime statistics in tables and graphically in an easily understood layout, with year to year comparisons possible. Again, you will determine what crimes are included.
- **Stolen Vehicles.** This lists recently stolen vehicles.

- **Most Wanted.** This feature lets you use the already existing RIMS wanted poster facility to create posters of your "most wanted" subjects, as many as you like.
- **Missing Persons.** This shows a subset of the RIMS Missing Persons file with pictures where available. An "include in Citizen RIMS Live Display" check box on the Missing Persons screen must be checked for a record to be included.
- **Alerts.** This feature allows site visitors to subscribe to a free service that will email new incident/crime data on a daily or weekly basis.
- **Warrants.** Those that want to display warrants from the RIMS database can enable a warrants tab. The information shown includes data similar to what's shown on the RIMS warrant screen for the warrant and person.
- **Press Releases.** RIMS has a function to create press releases that uses a heading template specific to your agency. Once a press release has been finalized it can be published to the Citizen RIMS web site where a catalog of all your press releases is available to the public.

The web page for Citizen RIMS resides at the CrimeGraphics.com web site that is used just for this purpose. The public reaches this site and your data via a link you provide on your web site (and otherwise publicize). This separate site for your public data also provides a security wall that precludes any possibility of opening access to the rest of your data.

RIMS itself on your system will have a small application that will periodically upload public-accessible data to CrimeGraphics.com. Only public information will be transferred to this site.

Since you perform initial configuration of what you want shown on your site there is no maintenance or any other effort required on your part to run Citizen RIMS -- everything is automatic.

Officer Training ("TIMS") Software Overview

Every law enforcement agency has an ongoing program to ensure that officers are current with existing agency, state and federal law enforcement training requirements. Officers also attend training sessions for a variety of other reasons -- career enhancement, job specialties, and other educational opportunities.

For many agencies, the issue becomes how to manage and keep track of all the officers, courses, certifications, dates, reporting requirements and the myriad other details involved in running a training program. Providing an organized way to keep track of all this information and to make it easier to run your training program is the purpose of TIMS. TIMS provides the following features:

- Compiles course lists with detailed course information
- Assigns officers to courses and tracks course costs and all travel and per diem expenses
- Maintains a database of employee college/university degrees, and a log of all classes taken and certifications earned
- Keeps track of officer recertification dates and prepares a reminder log plus other logs for scheduled training and historical training, for all officers, a single officer, or a group of officers
- Supports the scanning of relevant documents into RIMS and attaches them to employee records
- Reports data to a spreadsheet or to HTML
- Provides custom print lists of courses, training logs, schedules, etc.
- Creates ad hoc reports of your design
- Automatically generates training calendars

Proposed Interfaces

Our proposal includes creating for the following interfaces:

E911 (911) link gives dispatchers information instantly so they can react instantly. With E911 link, RIMS automatically displays the 911 form as soon as the caller is answered. RIMS identifies the caller's location (A/L), verifies the location in the RIMS Street database and is able to include in the display the original location and telephone number street reference information as related with this station.

- Caller's name

- Caller's address
- Phone number
- Cross street
- Beat
- Area
- Map page
- Responsible agencies
- Fire Jun card
- Place (name) associated with location
- Premise Indicator
- Hazard Indicator
- Previous incidents at this location
- Latitude / Longitude / Uncertainty and Confidence
- Class of Service

From that point, dispatching can be as simple as filling in the incident type and clicking on "Recommended Units" to dispatch the incident.

RIMS E911 Link software is also Wireless Phase II compliant. Wireless call information is stored in the incident. When using RIMSMap, both wired and wireless calls are immediately displayed on the dispatcher's map. For wireless calls, a circle is drawn around the caller based on the uncertainty and confidence factors that are part of the telephone company's information delivered to RIMS.

And when NextGen 911 is available, you can be sure that our RIMS E911 Link Software will support that functionality as well.

CIETS - RIMS State Link software is message switching software that connects RIMS to CA DOJ (and on to NCIC). Its key benefits are that dispatchers no longer have to switch to a separate application to run such queries, queries and responses are permanently recorded in RIMS, and RIMS automatically links returns to RIMS CAD incidents. RIMS State Link also:

- Provides dispatchers with quick access to forms for the most common queries
- Automatically generates queries for traffic stops
- Attaches queries as entries in the chronological history of the CAD incidents they are associated with
- Generates multiple queries from a single person query

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Interfaces Not Included at this Time

The following interfaces are mentioned at various points either in the body of the RFP document itself or in the requirements chart. These interfaces have no descriptive functional or technical information on which we are able provide pricing at this time or they are not supported at this time by the target entity and therefore are not included in this proposal. These interfaces include:

- DOJ Pawn
- Cal-Photo Query from Mooles (not supported by Cal-Photo at this time)
- CSAR/Siste Registrants - (DOJ not supporting an online interface from vendors at this time)
- Parole LEADS (insufficient information)
- SAFE Property/Evidence Link (insufficient information)
- CrimeStar JMS (insufficient information)
- CA Superior Courts Data Mining (insufficient information)

We look forward to the opportunity to discuss these specific requirements with you and, if the function is possible, will be able to provide accurate pricing at that time.

B. Versions and Life Cycles

The current version of RIMS CAD/RMS is 26. RIMS 26 was released in April 2019 as were new versions of our ancillary products.

There is no "end-of-life" date for any of our products. RIMS 26 is a direct successor of RIMS version 1 of more than 30 years ago. That is, RIMS has never been re-designed or rewritten. In fact, it is a considerable tribute to the original system design, particularly the database design, that the 21st century RIMS is still the most comprehensive, easy to use CAD/RMS software available. And, far from being static, the pace of evolution of RIMS has actually been increasing in recent years. The annual new version of RIMS CAD/RMS has been averaging about 100 new features and enhancements (not fixes) each year, with an all time high of 232 enhancements reached for RIMS 23.

There has never been a charge for a new version of RIMS for those paying for annual support and updates. We release updates to a given version for bug fixes as needed throughout the year.

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- Maintains a log of all responses received
- Maintains a Criminal History Query Log for DOJ audit purposes
- Allows searching of query responses
- Automatically tags responses as "HIT" or "VALID" or "EXPIRED" with color coded banners
- Supports command line entry of queries as well as forms
- Is fully supported in mobile computers in the cars

ECARS - The RIMS UCR report automatically generates ECARS files for transmission to CA DOJ. Many of our agencies use this data transfer feature. ECARS is part of our RMS module and is included at no additional cost.

AFIS/Livescan - RIMS has a standard interface to various AFIS vendors. Person information is entered one time in RIMS and the appropriate information is then sent to the Livescan machine reducing time and eliminating potential errors from duplicate entry.

RIMS Text Paging - If your agency needs to notify or call out personnel in certain circumstances, the RIMS paging interface can do it for you. RIMS paging can send an alphanumeric message to a single person or a group of persons.

Paging may be automatically sent based on an incident type created in dispatch or a manual page may be sent. This product includes the following functionality:

- Send incident information to groups of users when a unit is dispatched
- Send incident information to groups or users when an incident of a particular type is created
- Pages are sent via email to any email-enabled device can receive a message, including most pagers
- Send normal text messages to users or groups
- Includes paging from Mobile RIMS

Coplogic Link - Utilizing CopLogic's reporting system, agencies enable members of the community to file specific types of reports online. The service is quick and easy for the citizen and frees up valuable officer hours. Once the report is completed online, RIMS then transfers this information into the officer case log for final review and completion.

This interface imports basic Case/Report data, Person and Vehicle records, Reporting Party's (RP's) Narrative, case photographs and attachments. Our proposal is for the RIMS Link only and does not include the Coplogic software.

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RIMS is written in Delphi and utilizes a SQL Server database and Windows OS. See the following section for additional details.

C. Technical Requirements

Server Specifications

Application Server

This server will host the live production database as well as the training database requires Microsoft SQL Server 2012 or newer.

Communications Server

A secondary server is required to host the applications that run CIETS, Mobiles, E911 and any other interface applications.

Failover Server

At your option, a third server running Microsoft SQL Server 2012 or newer can be the real-time copy of the production and training databases using SQL Mirroring. The client will utilize the Microsoft SQL Native client that supports SQL Mirroring - that will allow RIMS to maintain a connection to the primary server - if that server is not available, it will automatically try the mirror server - without any user interaction. This also applies to the applications running on the Application server. Additional documentation can be provided on how this process is setup and managed.

While the mirror server is designed as a temporary solution while the primary server is being repaired, it should have similar specifications as the primary server, including disk space. Preferably, disk access should not be the same as the primary server, if using a SAN device.

System Software

Server Software (minimum)

- Windows Server 2014 (Data Center Edition)
- Licensed by Processor - 8 cores each
- 1 Virtual Instance for SQL Server / RIMS Web Services (RUCO)
- 1 Virtual Instance for the RIMS Applications

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- Virtual Instances as needed for VMWare servers

Database Software (minimum)

- Microsoft SQL Server 2012
- Licensed by Processor - 8 cores each
- Microsoft SQL Server 2012
- Single named or default instance

VMWare - Virtual Servers

It is up to you to supply the VMWare software if that is your choice for VM software. You are responsible for creating the VM servers needed for our application. Preferably, the Application and Communications Servers would be their own VM instances on one physical server, while the Follower server is located on a separate physical server (whether VM or not). That way, the follower is to a completely separate physical server in case a hardware issue arises on the primary server. There are no additional licensing fees are out part for a virtual environment of virtual users.

Storage Requirements

While we specify minimum requirements to start the system, it is up to the agency to provide additional long-term disk space to host the agency database. Even some sites that have used our product for more many years have databases no larger than 400GB and of course today server data storage starts at 1TB. Actually, the determining factor in disk storage size is the number of documents and images you will be storing — their storage requirement dwarfs that of regular data in RIMS, especially when you are going paperless, there is considerable opportunity to store documents and images. Still, storage capacity need not be an issue given the current low cost of (hard) disk storage, even in RAID configurations.

PC Workstation Requirements

If using existing PCs:

- Intel 2Ghz+
- Windows 7 or later
- 8 GB Memory
- Any Size Disk

If purchasing new PCs:

- Any Speed Processor
- Windows 10

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- 16 GB Memory
- Any Size Disk

Mobile computers:

- Windows 7 or later
- Wireless based modem (for connectivity)
- Virus Protection Software
- 4 GB memory (minimum)
- 2 or more USB ports
- Optional touchscreen
- Optional Magnetic Stripe Reader (USB)
- Optional Microphone for voice recognition

Third Party Software

ESRI ArcView: Assuming you will be using ESRI products for your mapping, our proposal does not include the ArcView software that is required for any workstations that will use RIMS in Station Mapping. If licenses are not already available in the County, you will need one copy of ArcView GIS v10.x that can be used for the first position, and then a copy of ArcGIS 10.x Engine for each additional in-station workstation that will use RIMS Mapping.

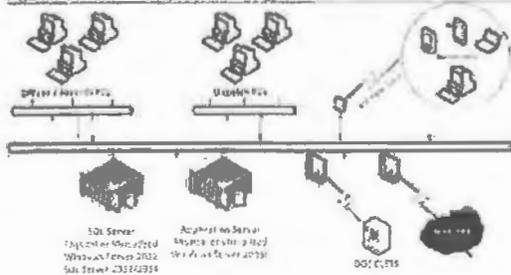
Remote Access: We utilize Bomgar Remote Access software for installation and follow-on support services. There is no cost to your agency.

Mobile Mapping: It is possible to use ESRI mapping in the car, but expensive, absent a site license, Google Maps is an option as well.

D. System Diagram

A sample RIMS system is provided in the illustration below:

Sun Ridge Systems, Inc.



Sun Ridge Systems, Inc.

E. Geographic Files

RIMS mapping utilizes Google Maps and/or ESRI ArcView 10.2+ map data (if ESRI data is available for your county). With ESRI ArcView you are using your own map data (parcel or center-line) allowing you to include the multiple map layers that are likely part of your map database.

If you purchase ArcView, you will need one copy of ArcView GIS v10.x that can be used for the first position, and then a copy of ArcGIS 10.x Runtime Engine for each additional in-station or mobile unit that will use RIMS Mapping.

If you opt for Google Maps, Sun Ridge provides the Google licenses to you at no additional charge. If you use Google Maps exclusively, the "Map Engineering Services" fee would be subtracted from the cost of the project.

As a cost savings measure, some agencies use a combination of ESRI-based maps in-station, and Google Maps, particularly for the mobile computers.

For the street file for address verification by CAD and RMS, we are able to derive this from your street centerline file source. Please note that the street file will only be as accurate as the source file, meaning Sun Ridge is not responsible for the accuracy of the file, nor for its maintenance.

If you have the RIMS Mobile Computer System and in-vehicle GPS devices, then you have automatic vehicle location. There is no additional cost. RIMSMap automatically displays your vehicle locations on the maps in the station, tracking vehicles as they drive around your jurisdiction. For dispatchers, this provides yet another visual of the current situation. When a unit is to be dispatched, it shows the closest unit with one glance at the map. For supervisory personnel, the visual of unit is on the map makes keeping track of what's going on much easier.

You can also choose to activate AVL in the vehicle for field supervisors and even officers, providing the same vehicle tracking features are available in the station.

Perhaps the most intriguing feature of RIMS Mapping is the ability to play back "movies" of vehicle movements on the map. For example, if there is a serious incident such as a bank robbery or pursuit, you can replay the real-time response of all units responding to the incident or participating in the pursuit. The playback can be saved to an external file for playback in court. Likewise, the GPS data can also be exported in a variety of formats.

Sun Ridge Systems, Inc.

F. Reporting and Dashboards

Any records system is only as good as the management reports it produces. RIMS produces all required UCR reports and, where required, NIBRS reports. In addition, RIMS receives the California Arrest and Citation Register and more than 25 other statistical reports that track:

- UCR crime report (Including via ECARS)
- UCR arrest report (where applicable)
- Monthly arrest & citation report (California only)
- Crime summary by offense
- Arrests by officer
- Domestic violence report
- Monthly hate crime report
- Citation reports
- Case investigation reports
- Accident reports
- Offender list reports
- Warrants list

With the Search function, you can create reports based on any parameters you set. Also, RIMS makes retrieving data easy, even when only incomplete information is available. Find people by searching first names, hair color, height, weight or any other information captured in a dossier record. Or locate vehicles with nothing more than make, model or color. With RMS, you can search for information regarding:

- Accidents
- Arrests
- People
- Bicycles
- Pets
- Cases
- Property
- Pawned property
- Case investigation
- Citations
- Vehicles
- Field interviews
- Vehicle maintenance
- Vehicle permits

- Parking permits
- Narratives
- Warrants

All RIMS software is sold as a site license. You can also add additional workstations/positions within your agency after initial purchase with no additional charges from Sun Ridge

G. Unique Features

This section presents ten good reasons to choose RIMS

1. RIMS has an extraordinary depth of features and functions, but that's what you would expect from a product with a 30+ year history.
2. One of our key features is not a feature at all: It is the total integration of CAD and records management functions in RIMS. RIMS CAD and RMS are one system not two "interfaced" systems that pass information back and forth. Both externally to the user and internally, RIMS is a single system. Your dispatchers will have access to everything (within security considerations) and they and your officers often need it! Further, if in the future you should choose to add our InCustody Jail Management Systems you will find that it too is totally integrated with CAD and RMS. In fact, all three share a common database and a single master name file so that information entered in one is inherently available to all.
3. RIMS is a proven system. It works and it works well, the product of thirty years of continuous development with thousands of daily users. More than 200 public safety agencies are now using RIMS.

We have a mobile data system that has been in operation for 25 years, one that not incidentally has more CAD and records functions available to the officer than any other such system on the market today.

And we've already charted our course several years into the future. We will be around.

4. RIMS is a low cost solution and cost is always a critical consideration. Although we of course do not know the prices submitted by our competitors, from previous experience it is likely that we are among the lowest or the low cost quality proposer, particularly when compared with large vendors, our software is relatively inexpensive. (Conversely, it is always possible to find a lower cost vendor, but it will clearly be a "you get what you pay for" proposition.)

5. Historically, installers of a new system have been a long, arduous project filled with risk. We have changed all that with RIMS. By applying lessons learned over many years in this business we have reduced the project to a "cookbook" set of steps.

6. RIMS has some very "nice" features that people have found very useful over the years. RIMS-3D is an excellent example. That's the feature whereby you can double click on virtually any incident number, officer report number, vehicle license, pet/dog name, etc., that appears on the screen and RIMS will instantly display the detail record (incident, officer report, etc.). Then, if you like, you can select another data item in the detail record and display its detail record and so on. This is a very handy and powerful tool that gets used frequently.

7. The RIMS data search feature used to do quick data searches and ad hoc reporting is unmatched in our industry. Uniquely, it is both very easy to use, even by only occasional users, very powerful in its versatility in querying for information, and feature-rich in its post-search capabilities — filtering, sorting, re-querying, saving search templates, charting, and exporting search results to Excel.

8. The user interface is what defines a software product for the user. Products may be similar in the data they keep but it is the user interface that defines it as "good" or "bad" in the eyes of its users. We have not seen anything that compares with our system with respect to ease of use. No one else matches our unique and overlapping combination of keyboard and mouse to provide a system that is so easy to use. Also, always appreciate the minimal number of steps required to perform any function and dispatchers like our "one click to display an incident" and "two clicks to change a status" and the rest of the system continues this theme.

9. One of the strongest selling points for RIMS is that RIMS will never be obsolete. Most public safety systems become obsolete within five to seven years. This does not happen with RIMS for two reasons: One, with our continual evolution of the product, your software is always up to the minute (The RIMS of 2019 (Version 25.0) is far beyond the RIMS of 1983 (Version 1.0)). We come at no one else who provides such frequent and substantial upgrades and does so without any additional cost beyond subscribing to support services.

10. Our customers don't fall into the "we haven't sued them yet" category. Neither do they fall into the "I guess we're satisfied" category. All our customers are enthusiastically happy with RIMS and Sun Ridge Systems. We strongly encourage you to contact our references to verify this. We provide 24 hour support and there's no surcharge for the 24-hour service. Actually, since the software works so well we get very few 3 AM calls (you will be happy you chose us).

H. Training

Please note: The following training plan (and associated pricing) assumes an "End User" training plan approach, whereby Sun Ridge staff trains all of your users directly. Although NOT included in this proposal, a "Train the Trainer" plan (for officer training only) may be considered and may provide some cost saving. Pricing for this option is available upon request.

Our training is comprehensive and thorough in that it is intended to prepare personnel to begin using RIMS operationally within days of the conclusion of the training program yet the training courses are brief. They are brief because RIMS is so easy to learn. The short duration of the courses have proven to be just right based upon the many times we have given them. Our training plan is designed around satisfying the following objectives:

- Provide all personnel with the knowledge necessary to become productive RIMS users. This training must also be keyed to the job responsibilities of trainees (dispatch, clerk, administrator, etc.).
- The training plan must take into account that personnel will have limited time available for training, due to scheduling, overtime, and operational considerations.

One concept is key to our training: "hands on" training. As with any software product of any complexity, true "mastery" of the product will only occur through operational experience with it. However, the training program must get users over the initial hurdle of being able to do useful work. The only way to do this is to include extensive, supervised, hands on "operation" of RIMS as part of the training.

After the training program has been completed, you should almost immediately begin operational use of the system. You can delay while your people spend more time familiarizing themselves with the software, however, our experience shows that you delay for very long, the majority of users will regress rather than advance.

When you train new users in the future, you may choose to contract with us for the training. However, other departments have found this unnecessary. RIMS training becomes part of your training curriculum. New users learn RIMS as they learn the rest of your operations. RIMS can be configured with a separate training database that permits trainees to practice all functions without touching your "live" data.

Initial Setup Training (combined SO and PD)

This 2 x four-hour (approximate) class is provided over the phone and via remote access to your RIMS system by our training at the conclusion of installation and prior to the start of any other training. Students are staff, supervisors and/or functional heads who will be responsible for initial and long term security setup and street file and table maintenance. These staff will become your RIMS system administrators. Staff identified as RIMS system administrators should be scheduled into all of the following classes.

RIMS Configuration and Setup (combined SO and PD)

This three-day session consists of a review of your operational procedures and identifies processes or decision points a department must make to optimize its use of RIMS. Demonstrations of specific RIMS functionality pertaining to the department's operational decision points may be included.

CAD Training

These two-day classes cover all aspects of RIMS dispatch. Students are all dispatch personnel as well as those identified as system administrators. It includes taking calls for service and officer initiated activity. Dispatching units, verifying reporting party information and location information, along with the information regarding the call is the primary training focus. Reinvesting case numbers and vehicle tows, completing the calls with a disposition and all other aspects of dispatching are also covered. Role playing is included to simulate real-life situations.

Deputy/Officer Mobile/RIMS Training

These two-day classes covers complete officer report (Case) entry, including face page, persons involved, property, vehicles, narratives/supplements, photographs and attachments. The basic case entry also includes gathering information from the dispatched call via RIMS. Also covered are incident summaries, citations, property and vehicle records, offender files, warrant files, Pis and decedent person file (Master Name Index) entry. An introduction to Case Management and exhaustive use of RIMS searching and location history files is also covered. The report review and approval cycle is also reviewed. The course is geared towards officers and investigators however, since it is such an integral part of RIMS, Records and Property Room staff must attend as well.

PLEASE NOTE: Our proposal does not include training of jail deputies in the use of RIMS. If training for jail staff is required, additional classes can be added prior to a finalized contract.

Records Training

This one-day session focuses on all other aspects of the RIMS Records system. In addition to records staff, property room and evidence techs should attend. This course includes Case Management, the Uniform Crime Report and CLERY along with all other Records duties. Included are bicycle, vehicle maintenance, subpoenas, citations, entry of offender files and much more. Records staff must attend the first day of the Officer Training in addition to this 1-day Records Training.

System Administrator Follow-up Training

This is a one-day follow-up session to the original 4 Initial Setup Training to review outstanding system setup items and ensure that the tables and street file are ready for production use. Students are the designated system administrators.

Training Summary

Our proposal includes the following on-site installation, training and support days. We will confirm the number of classes, availability of classroom locations, and staff attendance per class with you during final negotiations.

Installation	1 Day (via remote access)
Initial Setup Training	1 Day (via remote access)
Business Process Review	3 Days
CAD Training (2 sessions @ 2 days per session)	4 Days
Officer/Mobile Training* (7 sessions @ 2 days per session)	14 Days
Records Training (2 sessions @ 1 day per session):	2 Days
Data Conversion Review	3 Days
Admin/Setup Review Session	1 Day
On-Site Go Live Support (4 staff @ 1 day each):	4 Days

*Does not include training of jail deputies.

6.0 Scope of Work and Project Schedule

A. Implementation

The following is a high level, sample project plan. The time estimates reflect durations and do not necessarily represent actual days of effort or time on site. Following the sample project plan is a staffing matrix based on the tasks and activities of the sample project plan.

Task	Task Start	Task Complete	Estimated Duration	Dependencies
1. Establish a Customer Support/Helpdesk by Project	08/01/00	08/01/00	1 Day	
2. High Level Business Process Review	08/01/00	08/01/00	10 Days	
3. Data Conversion Review	08/01/00	08/01/00	10 Days	
4. CAD Training (2 sessions @ 2 days per session)	08/01/00	08/01/00	4 Days	
5. Officer/Mobile Training* (7 sessions @ 2 days per session)	08/01/00	08/01/00	14 Days	
6. Records Training (2 sessions @ 1 day per session)	08/01/00	08/01/00	2 Days	
7. Admin/Setup Review Session	08/01/00	08/01/00	1 Day	
8. On-Site Go Live Support (4 staff @ 1 day each)	08/01/00	08/01/00	4 Days	

R6	RIMS Config and Setup	Trainer	RIMS System Administrators Designated Key Operational Staff
R5	County Configuration RIMIS	Trainer	RIMS System Administrators Dispatchers RIMS System Administrators
R6	CAD Training	Trainer	Records Supervisors RIMS System Administrators
R6	Dispatch/Officer/Mobile Training	Trainer	Records Supervisors RIMS System Administrators
R6	RMS Training	Trainer	Records Supervisors RIMS System Administrators
R6	RMS Training	Trainer	Records Supervisors RIMS System Administrators
R5	Admin Overview	Trainer	RIMS System Administrators

B. Data Conversion

Our proposal includes the cost for conversion of the existing LEADS CAD and RMS data from the Sheriff's Office system only. We have successfully converted data from LEADS before.

Data conversion does NOT include data extraction from the current system. The County will provide the extracted data to be converted to Sun Ridge which shall consist of CAD data (consisting of a one single database) and RMS data (consisting of a second single database). Once Sun Ridge receives the extracted data, Sun Ridge will evaluate it to determine which items may be converted into RIMS. As part of Sun Ridge's standard data conversion, Sun Ridge attempts to convert the following items. In some instances, all data may not be available or suitable for conversion.

RIMS is UCR compliant. As of today, CA DOJ has yet to select a vendor who will provide the State software that will receive and validate an agency's NIBRS submission nor have they yet completed defining the California customized data they will be collecting. Therefore, we are assuming you will begin using RIMS prior to NIBRS implementation. The scope of this project does not include the cost or effort of converting your data into the yet-to-be defined CA NIBRS format.

RMS Data

- People: Including person name, DOB, contact info, description, ID#, officer safety notifications, log entries for connections to cases, for citations and for field contacts, mug shots (if stored in the RMS).
- Arrest: Arrestee, date, time, charges, counts, offense level, disposition, booked/cleared out.
- Vehicles: License, state, year, color, type, log entries for connections to case, field contacts and citations.
- Cases: Location, date report, date occurred, classification/s, pri, offense, case dispositions, date of dispositions, Officer ID, persons, vehicles, narratives and supplements.
- Warrants: Person Name, Warrant #, Warrant Date, Type, Felony/Misdemeanor, Reason, Court, Judge, Case #, Cite, District, Ref #, Agency, Charges, Comment.

R7	Final Data Extract	Technical Lead	County IT County IT
R7	Final Conversion	Technical Lead	County IT County IT
R8	Final Conversion	Technical Lead	County IT County IT
R8	Final Conversion	Technical Lead	County IT County IT
R8	Final Conversion	Technical Lead	County IT County IT

Bail Amount, Served Date, Returned Date, Returned Reason, Recalled Date, Recalled Reason

- Property in cases: category, article, status, description, brand, model, Item #, property code, locations, value-stolen, recovered, damaged and officer.
- Officer: Name, ID
- Users: Name, ID

CAD Data

- Incidents: call number, call times, priority, incident location, grid, caller name and telephone number, complaint type, caller location, how received, comments, call category, internal response area, DCA case number, call reference, fire grade, subject data, vehicle data, tract, ESN, alternate phone number, call taker, and position. (See Conversion Note #2)
- Officers: Name, ID.
- Premises: Common place name, address, contact person, contact phone
- Premise History: Summary of incidents by incident location
- Streets: street name, intersections with block ranges

Data conversion is an iterative process requiring the resources of your agency to be available to review converted data as soon as it is loaded and report any errors found to Sun Ridge. We recommend that you identify at least two people to be part of a data conversion review team. It will be this team's responsibility to promptly review the converted data once it is loaded into RIMS, identify any problems with the converted data, and report those problems to us in an organized manner.

Sun Ridge will then correct the reported errors, re-run the conversion, reload it onto your system and ask your staff to again review the data. The cycle is repeated as often as is necessary to ensure that the data conversion is as complete and correct as possible. To assist you with the review process, Sun Ridge will have trainers available via phone and remote access to guide you. The Sun Ridge trainer is NOT responsible to completely review or identify errors in the converted data. They are responsible for facilitating the process with your staff.

In addition to the continued review of the data for the duration of the project via phone and remote access, there are three days of onsite data conversion review sessions with the Sun Ridge trainer and your staff.

Our data conversion specialist will work with your technical staff to determine:

- 1) The best format with which to provide the extracted data to the conversion specialist
- 2) The best method for transferring that data to the conversion engineer
- 3) The location where the conversion scripts will run (e.g. your server or the conversion engineer's server)
- 4) The timing for the final extract, conversion and load of data to go live

C. Transition Support

Sun Ridge typically has a team onsite, consisting of trainers and technicians, for the first 1-2 days (one day proposed) of production use of the core modules. After they depart, your support will be turned over to our Customer Support staff. The Customer Support staff will continue to keep your Project Manager apprised of items reported to them during the duration of the Final Acceptance Test period. Customer Support and/or your Project Manager will assign the trainers and technicians originally assigned to your project to address your problem reports if needed.

after receipt of the notice. The terms of Section 13 and all other provisions of this Agreement that expressly survive such termination shall apply.

If City fails to provide a Final Acceptance Notice or a Rejection Notice within five (5) calendar days after the end of the Test Period, then City's final acceptance of the Software shall be considered to have occurred and City and Sun Ridge shall proceed as described in section 8.0 above.

B. First Year Support

The costs of the first year support, maintenance and updates of the software has been included as a separate line item in the pricing section of this proposal. First Year Support is identical to our standard support agreement which is described in the following section.

C. System Support

Our proposal includes first year support and updates cost. This first year period begins at operational use of the Software or forty (40) days after the completion of installation and training by Sun Ridge, whichever comes first. After the initial one year period, you can renew your annual support and updates for an annual fee. Support and updates include all corrections to the RIMS software which are released throughout the year as well as our annual product upgrade.

Support and updates also provides access to RIMS technical support via a toll free phone number for you to call whenever a problem occurs. Normal service hours are Monday - Friday, 8 a.m. - 5 p.m. Pacific, common holidays excepted. However, for critical problems that prevent basic system operation, service is available 24 hours per day, 7 days a week, holidays included.

Should you find a problem with RIMS, you report it to our Customer Service engineer via our toll free number. Once confirmed that it is indeed a problem with the RIMS software we strive to provide service and assistance as expeditiously as possible as follows:

- a. Most problems will be resolved with the initial phone call
- b. For problems that cannot be immediately resolved, Sun Ridge will work to resolve the problem based on the severity of the problem and the urgency reported by department.

7.0 Support, Warranty and Maintenance

A. System Acceptance Plan

For agencies installing a new CAD/RMS system, achieving a performance and reliability comfort level with their new software is obviously paramount to the success of the project. One solution is to conduct, with the vendor, an exhaustive, detailed acceptance test at the module level every software function and feature. We do not do that because it is both unnecessary and expensive/time consuming for you to do so. Here is why. We are proposing an off the shelf CAD/RMS system with literally a hundred of implementations. Most important, it is software that is used by thousands of law enforcement personnel all day every day. That represents a thorough system test every single day.

Here is our acceptance procedure that we have used for many years, and never failed..

"For thirty (30) days from the beginning of City's operational use of the Software or forty (40) days after the completion of installation and training by Sun Ridge, whichever comes first (the "Test Period"), City shall test the system for defects and anomalies. During the Test Period, Sun Ridge shall address and attempt to resolve issues with the software identified by City under the Software Support Services Agreement. At the end of the Test Period, City shall accept or reject the Software as follows:

- a. If City determines that the Software is performing to its satisfaction it shall immediately provide written notice to Sun Ridge of final acceptance of the Software ("Final Acceptance Notice"), and upon receipt of a valid invoice from Sun Ridge, shall process and pay the final milestone of the Contract Amount including any additional outstanding milestone payment amounts. Any remaining issues with the Software shall be covered as part of the original cost of the system and handled as maintenance items under the Software Support Services Agreement.
- b. If City decides to not accept the Software, then it must so notify Sun Ridge in writing within five (5) calendar days after the end of the Test Period ("Rejection Notice"). If a Rejection Notice is given, this Agreement shall be automatically terminated and all payments already made by City to Sun Ridge, less the cost of project management, installation, data conversion, and training services provided up to the date of termination shall be returned to City by Sun Ridge within thirty (30) days.

- a. For problems in which your system is completely inoperable due to a S&S software problem, Sun Ridge personnel will work with your department continuously until the situation is resolved.
- b. For problems that have a lesser though continuing impact on operations of your department Sun Ridge will endeavor to provide a solution or work around within 72 hours.
- c. For lower priority problems Sun Ridge may, at its discretion, either issue a near term "fix release" of the product or include the fix in the next scheduled product release.

D. Support via Remote Access

Sun Ridge utilizes Bomgar Remote Support Software, chosen because it provides superior security and does so over an ordinary internet connection via a Sun Ridge server that hosts a security hardware device. Sun Ridge will use this tool only with your permission. We will use this tool to connect to your system to examine data files, conduct and repair them when necessary, and download maintenance-related logs automatically mandated by the RIMS software. We will also use this tool to upload fixes to problems in your system when appropriate. There is no cost to you for the Bomgar software.

E. Software Updates

- a. What is your guaranteed time frame to update your software to comply with State or Federally mandated changes to CLETS or NCGT?

Typically, we must rely on a customer agency that receives change notices to pass them along to us. We then make every attempt to comply with the change as soon as possible via a software update.

- b. How frequently and under what circumstances is updated software provided?
Minor updates are provided throughout the year as an as needed basis to correct problems in the software and implement small enhancements. A major new version is released once each year.
- c. How will County be notified of available updates?

Agencies are notified of updates and new versions via email

d. What is involved in implementing an update?

For minor updates, a function built into the software is used to download the updated version to your server. Users automatically get the new version when they next sign on. For the annual new version, a program that updates the database structure is made available for download. Running the database update program is as simple as starting the program and clicking an Update button. Upgrading to the new version is otherwise the same as for minor updates.

e. How many hours will the system be down during an update?

Updates do not require downtime. A user must simply logoff and logon. For an annual upgrade (moving from one version to the next) the system may be down up to an hour depending on the number of database changes included in the upgrade. Most often the preparation might take 10 minutes, and the actual upgrade about 10 minutes.

f. Will County incur any charges for updates or new versions of products/licenses? If so, under what circumstances?

There is never a charge if you are contracting for support services.

g. How frequently does the Company release new, enhanced versions of the software?

A significantly enhanced new version of RIMS is released once a year.

h. How many enhancements would we expect with these new versions of software?

The CAD/RMS new version typically includes 80-100 enhancements --- additional functions and features. Enhancement lists for recent versions are available upon request.

i. What is the Company's approach to migration from earlier versions?

A database update program we provide with each annual new version quickly makes all the changes to your database needed by the new version of RIMS.

j. How many versions will the company support?

Current minus two

k. For software updates requiring data migration to a new server, describe the process and included projected system down time.

Our updates/upgrades do not require moves to new or different servers. When customers opt to replacing aging hardware, the process typically takes 4 hours or less.

l. Will the company guarantee, within normal maintenance costs, that all current versions of Microsoft Windows operating systems will be supported?

Yes

m. If your software is in development to change platforms (e.g. to .NET) or any other significant planned technical update, describe how customers will receive this update.

Our product plans currently do not include changes in platforms or other significant technical changes.

F. Annual Maintenance

Annual Maintenance Cost

Annual maintenance costs for years 2-6 are provided in the separate pricing document. Onsite maintenance is available only on a per occurrence basis. Year 2 (and subsequent years) begin one year from the date defined by operational use of the Software or forty (40) days after the completion of installation and training by Sun Ridge, whichever comes first.

Sample Maintenance Contract

This is a description of the software support, maintenance, and enhancement services to be provided by Sun Ridge Systems, Inc. ("SRS") to _____ ("Licensee") as part of a Software Support Services Agreement ("Agreement"). This Agreement covers all RIMS public safety software (Software) licensed by the Licensee and is effective on _____
Sun Ridge Systems, Inc

Under this agreement SRS agrees to provide the following services and products to Licensee:

1. Coverage Hours: SRS will provide a toll free phone number for Licensee to call whenever a covered problem occurs. Normal coverage hours will be Monday-Friday, 8AM-5PM PST, with the exception of New Year's Day, President's Day, Memorial Day, July 4th, Labor Day, Veteran's Day, Thanksgiving Day, New Year's Day, and Christmas Day ("summer holidays"). However, for instances with the Licensee's system is complete inoperable due to a SRS software problem ("critical problems") preventing basic system operation service will be available 24 hours, 7 days a week, common holidays included.

2. SRS Response to reported problems: SRS agrees to provide service and assistance as expeditiously as possible as follows:

- a. Most problems will be resolved with the initial phone call.
- b. For problems that cannot be resolved after resolved, SRS will work to resolve the problem based on the severity of the problem and the urgency reported by Licensee.
 - For critical problems SRS personnel will work with Licensee until the situation is resolved.
 - For problems that are not critical problems that have a lesser than a significant impact on operations of Licensee ("non-critical problems") SRS will endeavor to provide a solution or work around within 72 hours of the problem being reported to SRS by the Licensee.
 - For problems that are not critical problems and are not non-critical problems ("minor problems") SRS may, at its discretion, either issue a "release" of the product or include the fix in the next scheduled product update.

3. Licensee equipment and software responsibilities: Licensee agrees to allow SRS to remotely connect to Licensee's systems when a problem is reported. SRS uses Bomgar Remote Support Software for this purpose. Bomgar software provides superior security and does so over an ordinary internet connection via a Sun Ridge server that hosts a Bomgar security hardware device. With Licensee's permission, SRS will use this connection to examine data files related to reported problems and to provide updates and corrections when necessary.

4. Provision of software updates: SRS will provide at no additional cost all new enhanced and updated versions of software licensed to Licensee. This software will be provided with detailed

installation instructions for installation by Licensee. If desired, Licensee may retain SRS to perform any installation at additional cost to be determined on a per case basis. Updates are distributed via download from the SRS ftp website. SRS will not be obligated to provide service for release versions that are more than two annual release versions older than the current release.

5. Cost: The cost of the services and software to be provided under this Agreement is \$_____.

6. Late Payment: In addition to any other amounts due which Licensee is liable under this Agreement, Licensee agrees to pay to Sun Ridge a late charge equal to 1% (one percent) of the amount due to Licensee SRS to pay for every day that the amount due is not being paid to this Agreement within 15 (fifteen) days after Licensee's 90 (ninety) day grace period from the date of the invoice. In addition, any amount not paid 60 (sixty) days after Licensee's 90 (ninety) day grace period from the date of the invoice shall be subject to a late charge of 1% (one percent) per annum or the highest interest rate allowed by applicable law, whichever is less.

7. Term: The term of this Agreement shall be one year from the date stated in the final paragraph and shall be automatically renewed for another year upon payment of invoice. Payment for the year is due in advance the day the services begin. Non-payment of the support invoice within 60 days of its issue in Section 6 shall be cause for termination of support under the Agreement at the discretion of SRS.

8. Termination: Licensee may terminate this Agreement with or without cause upon ninety (90) days written notice to SRS. If terminated, Licensee is entitled to a prorated refund for the service days not consumed beginning on the last day of the month the written notice is received by SRS to the end of the remaining term of the Agreement.

9. Limitations: SRS agrees to create support only for public safety applications software provided by SRS. Other software used by Licensee (word processing, spreadsheets, etc.) is not included in this Agreement. PC and network operating system software and Microsoft SQL Server database system software are the only not included, although SRS may assist Licensee in installing problems to this software. Also specifically excluded is responsibility for administration, support, or maintenance of your servers, computer network, operating systems, or database (Microsoft SQL Server).

Licensee may purchase support services outside the limitations of this agreement at the then current SRS hourly labor rate.

This Agreement does not include equipment maintenance or assistance in diagnosing hardware problems including but not limited to PCs, printers, networks, scanners and other compute

peripheral devices with the exception that SRS will assist Licensee in determining whether a problem is RIMS application software in nature.

All terms, conditions, and limitations set forth in the Sun Ridge Systems Software License Agreement are incorporated herein by this reference and shall be fully applicable to the products and services provided under this Agreement.

8.0 Cost

The following are the proposal costs in our format in lieu of the County's Attachment B spreadsheet. The only line item not included is the "surety bond" which is not provided by Sun Ridge and is not included.

Base System Price – Lassen County Sheriff's Office

Item	Price
RIMS Computer-Aided Dispatch Software	\$38,500
RIMS Records Management Software	\$38,500
RIMS Mobile Computer Software	\$19,000
RIMS 911 Link Software	\$5,000
RIMS State Link Software	\$3,000
RIMS In-Station Mapping Software	\$11,000
RIMS Mobile Mapping Software	\$3,000
Citizen RIMS Public Access Software	\$2,900
RIMS Officer Training Management Software	\$2,000
RIMS AFS Link Software	\$7,000
RIMS Text Paging Link Software	\$7,600
RIMS Ecologic Link Software	\$1,500
Mapping Data Engineering Services	\$2,500
Data Conversion Services	\$45,000
Installation and Training	\$85,753
First Year Support and Updates	\$20,280
TOTAL – LASSEN COUNTY SHERIFF'S OFFICE	\$287,533

Annual Support and Updates – Year 2 through Year 6

Item	Price
Support and Updates – Year 2	\$20,280
Support and Updates – Year 3	\$20,280
Support and Updates – Year 4	\$20,280
Support and Updates – Year 5	\$20,280
Support and Updates – Year 6	\$20,280

TOTAL – Support and Updates Years 3 - 6	\$80,840
--	-----------------

Base System Price – Susanville Police Department

Item	Price
RIMS Records Management Software	\$25,000
RIMS Mobile Computer Software	\$13,000
RIMS 911 Link Software	\$3,000
RIMS State Link Software	\$3,000
RIMS In-Station Mapping Software	\$6,000
RIMS Mobile Mapping Software	\$3,000
Citizen RIMS Public Access Software	\$2,900
RIMS Officer Training Management Software	\$2,000
RIMS Ecologic Link Software	\$1,500
Installation and Training	\$37,433
First Year Support and Updates	\$7,830
TOTAL – SUSANVILLE POLICE DEPARTMENT	\$98,643

Annual Support and Updates – Year 2 through Year 6

Item	Price
Support and Updates – Year 2	\$7,830
Support and Updates – Year 3	\$7,830
Support and Updates – Year 4	\$7,830
Support and Updates – Year 5	\$7,830
Support and Updates – Year 6	\$7,830
TOTAL – Support and Updates Years 2 - 6	\$39,180

9.0 Draft Contract Scope of Work

The following is our standard Scope of Work format. We acknowledge that there is a sample scope of work in the sample contract provided in the RFP, however, we have found this format to be acceptable to the majority of our projects.

Software:

- RIMS Computer Aided Dispatch Software
- RIMS Records Management Software
- RIMS Mobile Computer Software
- RIMS CAD and Records (In-Station) Mapping Software
- RIMS Mobile Mapping Software
- RIMS Training Management Software (aka TMS)

Interfaces:

- RIMS 911 Link Software
- RIMS State (CLETS) Link Software

Hardware:

No hardware is provided by Sun Ridge

Third-Party Software:

No third-party software is provided by Sun Ridge

Project Schedule:

A project schedule will be defined and mutually agreed to as soon as possible after contract signing.

Scope of Services:

1. Installation – Sun Ridge is responsible for the following installation services:

- Installation of all RIMS Applications (listed above) on County supplied servers
- Confirm proper setup of the County's SQL database
- Set up Live, Training and Test/Conversion RIMS databases
- Installation of an initial workstation client
- Installation of an initial mobile client
- Installation of the Initial In Station Maps
- Installation of the Initial Mobile Maps

2. Installation – Sun Ridge is responsible for the following integration and Testing services:

- Testing of E911 Link Software
- Testing of State Link (aka CLETS) Interface
- Integration/Testing of the Mobile Interface
- Integration/Testing of In Station and Mobile Maps

3. Installation/Training/Project Kickoff – Installation will be via remote access to your server. All training is onsite at a County provided location. All training is "end user training" unless specified otherwise. Training days are contiguous. Sun Ridge will provide a training plan prior to the beginning of the Dispatcher Training sessions.

Installation	1 Day (via remote access)
Initial Setup Training	1 Day (via remote access)
RIMS Configuration and Setup	3 Days
Conversion Review	2 Days*
CAD Training (2 sessions @ 2 days per session)	4 Days*
LCSO Deputy/Mobile Training (3 sessions @ 2 days/session)	6 Days*
SPD Officer/Mobile Training (2 sessions @ 2 days/session)	4 Days
Records Training (1 day per agency)	2 Days
Admin/Setup Review Session (1 day per agency)	2 Days
TIM Training (both agencies in same class)	1 Day
On-Site Go Live Support (3 staff @ 1 day each):	3 Days

*County Only Classes

4. Data Conversion (County data only) – Data conversion does NOT include data extraction from the current system. The County will provide the extracted data to be converted to Sun Ridge which shall consist of CAD data (consisting of a one single database) and RIMS data (consisting of a second single database). Once Sun Ridge

receives the extracted data, Sun Ridge will evaluate it to determine which items may be converted into RIMS. As part of Sun Ridge's standard data conversion, Sun Ridge attempts to convert the following items. In some instances, all data may not be available or suitable for conversion.

RIMS is UCA compliant. As of today, CA DOJ has yet to select a vendor who will provide the State software that will receive and validate an agency's NIBRS submission nor have they yet completed defining the California-customized data they will be collecting. Therefore, we are assuming you will begin using RIMS prior to NIBRS implementation. The scope of this project does not include the cost or effort of converting your data into the yet-to-be-defined CA NIBRS format.

RIMS Data

- People: Including person name, DOB, contact info, description, ID#, officer safety notifications, log entries for connections to cases, for citations and for field contacts, mug shots (if stored in the RIMS).
- Arrest: Arrestee, date, time, charges, counts, offense level, disposition, booked/cited out.
- Vehicles: License, state, year, color, type, log entries for connections to case, field contacts and citations.
- Cases: Location, date report, date occurred, classification/type, offenses, case dispositions, date of dispositions, Officer ID, persons, vehicles, narratives and supplements.
- Warrants: Person Name, Warrant #, Warrant Date, Type, Felony/Misdemeanor, Reason, Court, Judge, Case #, Cite, Docket, Ref # Agency, Charges, Comment, Bail Amount, Served Date, Returned Date, Returned Reason, Recalled Date, Recalled Reason.
- Property in cases: category, article, status, description, brand, model, item #, property code, locations, value-stolen, recovered, damaged and officer.
- Officer: Name, ID
- Users: Name, ID

CAD Data

- Incidents: Call number, call times, priority, incident location, grid, caller name and telephone number, complaint type, caller location, how received, comments, call category, internal response area, DCA case number, call reference, fire grade, subject data, vehicle data, tract, ESN, alternate phone number, call taker, and position (See Conversion Note #2)

- Officers: Name, ID.

- Premises: Common place name, address, contact person, contact phone

- Premise History: Summary of incidents by incident location

- Streets: street name, intersections with block ranges

County Responsibilities:

- Assign a Project Manager for single point of contact and coordination for Sun Ridge Project Manager
- Coordinate and schedule resources of the Sheriff's Office and IT staff
- Provide all requisite hardware meeting at least the minimal hardware requirements specified by Sun Ridge Systems, Inc.
- Provide system and other third party software including SQL, ERSI licenses, (and/or Google Maps), Windows Server: 2003/2008/2012 (64 bit)
- Provide data communications infrastructure (network, wireless, internet, internet)
- Coordinate testing of the CLETS Message Switch
- Complete, submit and gain approval of updated DOJ CLETS application
- Contact any third party vendors (E911 provider, DOJ) as well as County and City IT and coordinate their schedule and assist them if they may charge you to provide their portion of the interface to RIMS

Provide ongoing Map Maintenance

- Provide flexibility (aka "level 1") status and build out

Ensure Accuracy of the geocode

- Provide initial map source file

- Ensure accuracy of the map source

- Assign System Administrators

- Ensure all user-maintained tables are completed prior to the start of training

- Provide training facilities, workstations and ensure access to RIMS training database from the training location

- Extract data from existing LEADS and in-house property room software into a mutually agreed to format for data conversion

- Review converted data, notifying Sun Ridge in an expedited fashion of conversion anomalies

- Schedule County/City staff into requisite classes

- Assign senior personnel to classes to present any changes in business processes to line staff

- Assume all costs for potential County/City staff overtime required to complete the project per agreed to project schedule

Exhibit A – Sample Contract

We have reviewed the RFP's Exhibit A, Software License, Modifications and Maintenance document and in general have found it to be very specific to a particular project deployment methodology and contract which we have previously successfully negotiated. We look forward to discussing specific points with you during contract negotiations.

Attachment A – Requirements Response

We have responded in detail to the Functional Requirements spreadsheet. We have been conscientious in our responses in comparing your requirements to our products, however, it must be understood that briefly stated requirements are sometimes subject to multiple interpretations – our interpretation may not match your intention. Our proposal is for our off the shelf product.

Please see attached file/document for the response from Sun Ridge Systems.

AGENDA ITEM NO. 9E

Reviewed by:  City Administrator
 Public Works Director

Motion only
 Public Hearing
 Resolution
 Ordinance
 Information

SUBMITTED BY: Daniel Gibbs, City Engineer

ACTION DATE: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Resolution Number 19-5682 authorizing award of Project No. 18-03, Cady Springs Pump Station Rebid for the City of Susanville To RaPiD Construction, Inc. of Carson City, Nevada subject to the availability of funds and contingent on negotiating a satisfactory agreement.

PRESENTED BY: Dan Newton, Public Works Director

SUMMARY: The Cady Springs Pump Station project was rebid in June of this year after direction from Council was provided to unbundle the project and pursue separate phased projects for the pump station and piping separately. This was recommended by staff with the intent of accomplishing a less expensive project initially with the pump station and take advantage of a more conducive bidding environment within the industry when compared to last year's initial bid of the entire project.

Only one bid was received despite the fact several showed interest and attended a pre-bid meeting. These other contractors showing initial interest indicated several reasons for not providing a formal bid. One contractor shared they were unable to find an electrical contractor available for the work and the other felt that insufficient funds were available to complete the project as presented. This second contractor had previously bid the initial contract in 2018 and was the apparent low bidder. However, it now appears their initial bid may have been insufficient.

The bid received from RaPiD was once again considerably higher than the anticipated costs as determined based on the Dyer Engineering estimate and taking into consideration the bids received last Fall. However, when compared to the 2nd bidder from last Fall their pricing is very similar. This suggests that RaPiD's bid, while excessive, is consistent with the higher one received last year and this pricing is what the bidding and contractors market can bear.

Given this, the project is significantly underfunded from the available grant monies and will require supplemental funds from the City. The grant amount available for the work, which includes the Johnstonville and Harris Drive water main replacement is \$1,498,085. This leaves about \$640,000 remaining to complete the funding of the Cady Springs Pump Station project which would include contingencies and construction engineering. An additional

\$500,000 would be needed to complete the connections to the Cady tank, make all under highway connections and reconfigure pipe at the Harris Drive tank.

This work includes a complete pump station facility to be located at the springs headworks and all electrical work required to operate the pumps and deliver water in the 10" PVC water main. The remaining work to be completed is the delivery of water from the Cady Springs tank through three highway crossings to the Harris tank. SCADA communications between the pump station and tanks are to be removed as well and completed under separate contracts.

Our recommendation is, in part, due to conversations held with the bidding contractor and those that considered bidding. Their reasons for higher costs and not choosing to bid were for similar reasons. The attempt made earlier this year to unbundle, or basically split the work effort required to make the pump station fully operational and then connected to the City's water system into two distinct contracts, wasn't entirely successful. The anticipated result of obtaining more affordable pricing was never realized. Nevertheless, it does confirm that this bid contains appropriate pricing given the status of the industry presently and suggests the bid amount is a relatively fair one.

Given the current limits of the grant amount and the anticipated revised completion deadline of December 31, 2020, staff recommends proceeding with the award of this bid so that significant portions of the project can be completed this year and the City moves in a direction of developing the ability to pump water from the springs and fill the Cady Springs tank. As indicated before, the remaining work necessary to "complete the system" will be pursued under separate contracts with local contractors capable of performing the remaining work.

FISCAL IMPACT: Estimated increase in project budget of approximately \$1.1 million dollars to complete the overall project. Proposal to proceed with project subject to freeing up existing infrastructure reserve funds.

ACTION REQUESTED: **Resolution Number 19-5682** authorizing award of Project No. 18-03, Cady Springs Pump Station Rebid for the City of Susanville To RaPiD Construction, Inc. of Carson City, Nevada, subject to the availability of funds and contingent on negotiating a satisfactory agreement.

ATTACHMENTS: Resolution 19-5682
Bid Results
May 15, 2019 Agenda Item

RESOLUTION NUMBER 19-5682

A RESOLUTION OF THE COUNCIL OF THE CITY OF SUSANVILLE AWARDING THE CURRENT BID FROM RAPID CONSTRUCTION INC. OF CARSON CITY NEVADA FOR THE CADY SPRINGS PUMP STATION, SUBJECT TO THE AVAILABILITY OF FUNDS AND CONTINGENT ON NEGOTIATING A SATISFACTORY AGREEMENT.

WHEREAS, the City of Susanville has available grant funding through Proposition 84 funds for the construction of water projects that includes the Cady Springs Pump Station Project, in the amount of \$1,498,085; and

WHEREAS, City Public Works staff did re-advertise and open bids for the subject project on June 27, 2019 receiving one bid from Rapid Construction of Carson City, Nevada, in the amount of \$1,860,068.10 and found the bid reasonable and appropriate for entering into a contract; and

WHEREAS, the City of Susanville has identified other available funds to supplement the cost of construction of water facilities also known as the Cady Springs Pump Station Project such as surplus rate stabilization funds and 7114 (restricted infrastructure improvement) funds; and

WHEREAS, the Public Works Department has determined that said bid received from RaPiD Construction of Carson City is suitable for the project scope and recommends award of the bid subject to the availability of funds and contingent on negotiating a satisfactory agreement; and

WHEREAS, given the experience of RaPiD Construction, the existing site conditions, bidding environment and grant requirements it is in the best interest of the public to proceed with the project at this time.

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Susanville hereby awards the Cady Springs Pump Station Project to RaPiD Construction of Carson City, Nevada, subject to the availability of funds and contingent on negotiating a satisfactory agreement.

Dated: August 7, 2019

APPROVED: _____
Kevin Stafford, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing resolution 19-5682 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of August, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

ATTEST:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney



APPARENT BID OPENING RESULTS
2019 CADY SPRINGS PUMP STATION
PROJECT NUMBER: 18-03
BID OPENING: JUNE 27, 2019 AT 2:00 PM

ENGINEER'S ESTIMATE:
 BASE BID \$ 773,224.00
 ADDITIVE BID \$ _____
 TOTAL BID \$ 773,224.00

 GRANT ALLOCATION \$ 1,498,085.00 \$ 724,861.00
EXCESS

RANK	CONTRACTOR	ADDRESS	LICENSE NO. / TYPE	BASE BID	ADDITIVE BID	TOTAL BID	BASE BID ANALYSIS	ADDITIVE BID ANALYSIS
1	RAPID CONSTRUCTION	CARSON CITY NV	982748 /A	\$ 1,860,068.10	\$ -	\$ 1,860,068.10	58.43%	NA

GRANT ALLOCATION \$ 1,498,085.00 \$ (361,983.10)
SHORTFALL

* DOES NOT INCLUDE OTHER GRANT PROJECT COSTS i.e. JOHNSTONVILLE ROAD & HARRIS DRIVE WATER MAIN REPLACEMENT



APPARENT BID OPENING RESULTS

2018 CADY SPRING PUMP STATION COMPLETION

PROJECT NUMBER: 18-03

BID OPENING: DECEMBER 13, 2018 AT 2:00 PM

ENGINEER'S ESTIMATE:

BASE BID \$ 1,115,000.00

ADDITIVE BID \$ _____

TOTAL BID \$ 1,115,000.00

RANK	CONTRACTOR	ADDRESS	LICENSE NO. / TYPE	BASE BID	ADDITIVE BID	TOTAL BID	BASE BID ANALYSIS	ADDITIVE BID ANALYSIS
1	TNT INDUSTRIAL CONTRACTORS	SACRAMENTO	622974	\$ 1,733,020.00	\$ -	\$ 1,733,020.00	55.43%	
2	KOCH & KOCH INC.	PENN VALLEY, CA	793724	\$ 2,093,500.00	\$ -	\$ 2,093,500.00	187.76%	

Reviewed by: [Signature] City Administrator
[Signature] Public Works Director

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

SUBMITTED BY: Daniel Gibbs, City Engineer

ACTION DATE: May 15, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Resolution Number 19-5651 authorizing the Public Works Department to unbundle contract work items for Project No. 18-03, Cady Springs Pump Station Completion for the City of Susanville through re-advertisement and opening new bids for specific portions of the project.

PRESENTED BY: Dan Newton, Public Works Director

SUMMARY: The Cady Springs Pump Station project bids were rejected by Council at the January 16, 2019 meeting due to bid amounts exceeding the grant funding amount and irregularities in the bid documents received. Since the rejected bids greatly exceed our grant allocation for construction of \$1,498,000 for all of the projects programmed by the City under the grant, staff is recommending a project of smaller scope in order to work within grant amounts available to the City.

The cost estimate prepared for the original project was estimated at \$1,115,000 with the two bids coming in at \$1,733,020 and \$2,093,500. The Public Works Director and City Engineer are proposing a revised scope of work with a reduced estimate of approximately \$800,000. This reduction along with bidding of the project earlier in year should result in more bids and more competitive bid amounts.

The work now proposed to be advertised includes a complete pump station facility to be located at the springs headworks and all electrical work required to operate the pumps and deliver water in the 10" PVC water main. The work removed includes delivery of water from the Cady Springs tank through three highway crossings to the Harris tank. SCADA communications between the pump station and tanks are to be removed as well and completed under separate contracts.

This recommendation is, in part, due to conversations held with the bidding contractors and those that considered bidding. Their reasons for higher costs and not choosing to bid were for similar reasons. These reasons focused on the need for two significantly different types of effort and specialties within the contracting industry. By repackaging, or basically splitting, the work effort required to make the pump station fully operational and then connected to the City's water system into two distinct contracts, there is a higher likelihood of reasonable prices and success in meeting the obligations of the grant.

Given the current limits of the grant amount and the completion deadline of December 31, 2019, staff recommends proceeding with significant portions of the project that ensure an ability to pump water from the springs and fill the Cady Springs tank. The remaining work necessary to "complete the system" will be pursued under separate contracts with local contractors capable of performing the remaining work.

FISCAL IMPACT: Minor expense to staff in performing research and pursuing a rebid effort with publication and advertising.

ACTION REQUESTED: Adopt Resolution Number 19-5651 authorizing the Public Works Department to unbundle contract work items for Project No. 18-03, Cady Springs Pump Station Completion for the City of Susanville through re-advertisement and opening new bids for specific portions of the project.

ATTACHMENTS: Resolution 19-5651
Engineers Estimate - Proposed Rebid

Reviewed by:  City Administrator
 Public Works Director

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

SUBMITTED BY: Daniel Gibbs, City Engineer

ACTION DATE: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Resolution Number 19-5683 authorizing adoption of a City-wide Labor Compliance Program

PRESENTED BY: Dan Newton, Public Works Director

SUMMARY: The City is required, as part of it's Proposition 84 grant received from the California Department of Water Resources (DWR), to have a Labor Compliance Program (LCP) in place. This program is required prior to construction of the Cady Springs Pump Station project that was bid in June and anticipated for construction later this year. The City's agreement with DWR indicates that:

"Grantee agrees to comply with all applicable California Labor Code requirements and... must, independently or through a third party, adopt and enforce a Department of Industrial Relations (DIR) certified Labor Compliance Program (LCP) meeting the requirements of Labor Code §1771.5 for projects funded by:

- a) Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; Public Resources Code §75075 et seq.) or*
- b) Any other funding source requiring an LCP.*

At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements."

Further, initiation, implementation and compliance with a LCP requires the City to perform the following:

- i. Enforce prevailing wage requirements as expressed in Labor Code Section 90.5(a) and Title 8 of the California Code of Regulations (CCR) Section 16422;
- ii. Provide appropriate language, notice of approval and notification, forms and documentation concerning requirements of the Labor Code in all public competitive bidding processes;
- iii. Perform project specific labor compliance oversight of construction projects contracted with the City including site inspections, review of certified payrolls, interviews of employees of all contractors (prime and sub), and verification of

- iv. corrections to any errors found concerning payroll or other relevant Labor codes; Provide and maintain record keeping and written summaries of labor compliance activities;
- v. Withholding of contract payments for delinquent or inadequate, and nonpayment of per diem;
- vi. Respond to complaints with 15 days of receipt;
- vii. Responsibility for communication and outreach activities with contractor organizations and all contractors interested in public bidding;
- viii. Provide In-service management training and workshops for the administration of its LCP;
- ix. Submit an annual report to the Director of the DIR each year no later than August 31;
- x.

Staff has approached several consultants in the State performing this type of work and found that Gafcon, Inc. of San Diego has graciously agreed to submit and prepare a LCP with the attached draft manual at a pro bono fee rate. However, there is a fee for project specific labor compliance oversight such as that required for Proposition 84 funded projects which includes Cady Springs.

FISCAL IMPACT: Estimated cost of retaining a consultant is between \$4,000 and \$6,000 for the Cady Springs project from the Public Works Administration budget. Minor expenses associated with Public Works staff performing labor compliance activities for the Departments projects.

ACTION REQUESTED: Adopt **Resolution Number 19-5683** adopting a Labor Compliance Program and directing staff to implement this program in compliance with the California Department of Industrial Relations and applicable portions of the California Labor Code.

ATTACHMENTS: Resolution 19-5683
Draft Labor Compliance Manual
Informal Bid from Gafcon Dated June 25, 2019

RESOLUTION NUMBER 19-5683

A RESOLUTION OF THE COUNCIL OF THE CITY OF SUSANVILLE ADOPTING A LABOR COMPLIANCE PROGRAM IN COMPLIANCE WITH THE REQUIREMENTS OF GRANT MONIES RECEIVED UNDER PROPOSITION 84 AND APPLICABLE SECTIONS OF THE CALIFORNIA STATE LABOR CODE

WHEREAS, the City of Susanville has available grant funding through Proposition 84 funds for the construction of specific projects relating to the improvement of water facilities that include the Cady Springs Pump Station Project; and

WHEREAS, the City of Susanville has entered into an agreement with the California Department Water Resources where development of a Department of Industrial Relations certified Labor Compliance Program is required; and

WHEREAS, the City is required to have a certified Labor Compliance Plan in place and active prior to receiving funds for project related construction work as indicated in the grant funded by Proposition 84; and

WHEREAS, the City is entering into a contract with RaPiD Construction of Carson City, Nevada for construction of the Cady Springs Pump Station project and will require implementation of labor compliance program for the Cady Springs Pump Station project prior to any reimbursements of the projects costs.

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Susanville has determined it in the best interest of the City to comply with and adopt a Labor Compliance Program and directs staff to implement this program in compliance with the California Department of Industrial Relations and applicable portions of the California Labor Code at Section 1771.5 and following.

Dated: August 7, 2019

APPROVED: _____
Kevin Stafford, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing resolution 19-5683 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of August, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

ATTEST:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

**City of Susanville
720 South Street
Susanville, CA 96130**

**Labor Compliance Program
July 5, 2019**



**CITY OF
Susanville**

Contact:

Mr. Erik Edholm
Assistant Civil Engineer/Public Works Department
City of Susanville
720 South Street
Susanville, CA 96130
eedholm@Cityofsusanville.org
P – (530) 257-1041

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SECTION I INTRODUCTION

The City of Susanville ("CITY") institutes this Labor Compliance Program ("LCP") for the purpose of implementing its policy relative to the labor compliance provisions of state and federally-funded public works contracts and specifically to comply with the provisions of Labor Code section 1771 pertaining to the use of public funds. This LCP contains the labor compliance standards required by state and federal laws, regulations, and directives, as well as the CITY's policies and contract provisions.

A Labor Compliance Program shall have a duty to the Director to enforce the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code and these regulations in a manner consistent with the practice of the Labor Commissioner. It is the practice of the Labor Commissioner to refer to the Director's ongoing advisory service of web-posted public works coverage determinations as a source of information and guidance in making enforcement decisions. It is also the practice of the Labor Commissioner to be represented by an attorney in prevailing wage hearings conducted pursuant to Labor Code Section 1742(b) and sections 17201-17270 of Title 8 of the California Code of Regulations

The California Labor Code section 1770, et seq., and the Public Contracting Code section 20133 requires that contractors on public works projects pay their workers based on the prevailing wage rates which are established and issued by the Office of Policy Research and Legislation ("OPRL").

The CITY adheres to the statutory requirements as set forth in Labor Code section 1771.5(b). Further, it is the intent of the CITY to actively enforce this LCP by monitoring applicable CITY construction sites for the payment of prevailing wage rates, and by requiring contractors and subcontractors having workers on applicable CITY sites to submit copies of certified payroll records demonstrating their compliance with the payment of prevailing wage rates.

It is the responsibility of the CITY Labor Compliance Program to enforce prevailing wage requirements, consistent with the policy of the state as expressed in Labor Code Section 90.5(a). A Labor Compliance Program shall take reasonable, vigorous, and prompt action to (1) determine whether violations exist, and (2) enforce compliance, including through imposition of appropriate penalties and formal enforcement action, when violations are found. A Labor Compliance Program shall neither avoid use of its enforcement authority based on cost considerations nor shall it use that authority in an unreasonable manner to gain leverage over a contractor or subcontractor. Unreasonable use of enforcement authority includes, but is not necessarily limited to, prolonged or excessive withholdings of contract payments without making a determination that a violation has occurred.

Should applicable sections of the Labor Code or Title 8 of the California Code of Regulations undergo alteration, amendment, or deletion, the CITY will modify the affected portions of this program accordingly.

The CITY's Labor Compliance Officer ("LCO") shall be responsible for implementation and enforcement of the CITY's LCP.

SECTION II
CONFLICT OF INTEREST

The CITY, as the awarding body whose employees operate the CITY's LCP, shall determine and designate the employees and/or consultants who participate in making governmental decisions. (California Code of Regulations, tit.8, section 16430.) The designated employees and/or consultants shall file Statement of Economic Interest (Fair Political Practices Commission ("FPPC") Form 700) with the filing officer of the CITY and comply with other applicable requirements of the Political Reform Act (Gov. Code, section 87100, et seq.).

Government Code section 82019, in pertinent part, defines a designated employee as "any officer, employee, member, or consultant of any agency whose position with the agency ...[i]s designated in a Conflict of Interest Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest." (Gov. Code, § 82019, subd. (a)(3).) An employee or a consultant is considered a public official and therefore subject to the Political Reform Act when either makes substantive recommendations that are, and over an extended period of time have been, regularly approved without significant amendment or modifications by another public official or government agency. (Cal.Code Regs., tit. 2, § 18701, subd. (a)(1)(A)(iii).)

The determination is made according to the factors set forth in California Code of Regulations, tit. 2, Sections 18701 et seq.:

1. Determine whether the employee or consultant is making, participating in making, or using his or her official position to influence the making of a governmental decision. (Cal.Code Regs., tit. 2, § 18701, subd. (a).)
2. If yes, ascertain the economic interest and determine whether the economic interest is directly or indirectly involved in the governmental decision. (Cal.Code Regs., tit. 2, §§ 18702 – 18702.3.)
3. If an economic interest is involved, the materiality of the effect of the decision on the economic interest must be ascertained. (Cal.Code Regs., tit. 2, § 18705.) Further, the effect of the governmental decision on the employee or the consultant's economic interests must be distinguished from the governmental decisions effect on the general public.
4. If a determination is made that all of these are affirmative, then there is a conflict of interest.
5. However, the following exceptions exist in the making or participating in making a governmental decision:
 - a. Those governmental decisions or actions by an employee or consultant that is solely ministerial, secretarial, manual, or clerical.

- b. Actions where the employee or the consultant appears before a government agency on a matter related to his or her own personal interests or that of their immediate family;
- c. Communicates with the general public or the press; and
- d. Negotiates his or her own compensation.
(Cal.Code Regs., tit. 6, § 18702.4.)

SECTION III
REQUEST FOR PAYROLL RECORDS

Requests may be made by any person for certified copies of payroll records. Requests shall be made to any of the following:

- (1) the body awarding the contract, or
- (2) any office of the Division of Labor Standards Enforcement, or the Division of Apprenticeship Standards.

(b) Requests for certified copies of payroll records pursuant to Section 1776 of the Labor Code may be made by any person. However, any such request shall be in writing and contain at least the following information:

- (1) The body awarding the contract;
- (2) The contract number and/or description;
- (3) The particular job location if more than one;
- (4) The name of the contractor;
- (5) The regular business address, if known.

NOTE: Requests for records of more than one contractor or subcontractor must list the information regarding that contractor individually, even if all requests pertain to the same particular public works project. Blanket requests covering an entire public works project will not be accepted; unless contractor and subcontractor responsibilities regarding the project are not clearly defined.

(c) Acknowledgment of Request. The public entity receiving a request for payroll records shall acknowledge receipt of such, and indicate the cost of providing the payroll records based on an estimate by the contractor, subcontractor or public entity. The acknowledgment of the receipt of said request for payroll records may be accomplished by the public entity's furnishing a copy of its written correspondence requesting certified copies of the payroll records sent to the specific contractor pursuant to Section 16400(d) below, to the person who requested said records.

(d) Request to Contractor. The request for copies of payroll records by the requesting public entity shall be in any form and/or method which will assure and evidence receipt thereof. The request shall include the following:

- (1) Specify the records to be provided and the form upon which the information is to be provided;
- (2) Conspicuous notice of the following:
 - (A) that the person certifying the copies of the payroll records is, if not the contractor, considered as an agent acting on behalf of the contractor; and
 - (B) that failure to provide certified copies of the records to the requesting public entity within 10 working days of the receipt of the request will subject the contractor to a penalty of one hundred (\$100.00) dollars per calendar day or portion thereof for each worker until strict compliance is effectuated;
- (3) Cost of preparation as provided in Section 16402; and
- (4) Provide for inspection.

(e) Inspection of Payroll Records. Inspection of the original payroll records at the office of the contractor(s) pursuant to subdivision (b) of Section 1776 of the Labor Code shall be limited to the public entities upon reasonable written or oral notice.

NOTE: Authority cited: Sections 54, 1773.5 and 1776, Labor Code. Reference: Sections 1773.5 and 1776, Labor Code.

Reporting Format. The format for reporting of payroll records requested pursuant to Labor Code Section 1776 shall be on a form provided by the public entity. Copies of the forms may be procured at any office of the Division of Labor Standards Enforcement (DLSE) throughout the state and/or:

Office of Policy, Research and Legislation
P.O. Box 420603
San Francisco, CA 94101
ATTENTION: Prevailing Wage Unit

Acceptance of any other format shall be conditioned upon the requirement that the alternate format contain all of the information required pursuant to Labor Code Section 1776. If, however, the contractor does not comply with the provisions of Labor Code Section 1776, the Labor Commissioner may require the use of DIR's suggested format, "Public Works Payroll Reporting Form" (Form A-1-131).

(b) Words of Certification. The form of certification shall be as follows: I, _____ (Name-print) the undersigned, am _____ (position in business) with the authority to act for and on behalf of _____, (name of business and/or contractor) certify under penalty of perjury that the records or copies thereof submitted and consisting of _____ (description, no. of pages) are the originals or true, full and correct copies of the originals which depict the payroll record(s) of the actual disbursements by way of cash, check, or whatever form to the individual or individuals named. Date: _____
Signature: _____

A public entity may require a more strict and/or more extensive form of certification.

NOTE: Authority cited: Sections 54 and 1773.5, Labor Code. Reference: Section 1776, Labor Code.

The cost of preparation to each contractor, subcontractor, or public entity when the request was made shall be provided in advance by the person seeking the payroll record. Such cost shall be \$1 for the first page of the payroll record and .25 cents for each page thereafter, plus \$10 to the contractor or subcontractor for handling costs. Payment in the form of cash, check or certified money order shall be made prior to release of the documents to cover the actual costs of preparation.

NOTE: Authority cited: Section 1776, Labor Code. Reference: Section 1776(h), Labor Code.

Records received from the employing contractor shall be kept on file in the office or entity that processed the request for at least 18 months following completion and acceptance of the project. Thereafter, they may be destroyed unless administrative, judicial or other pending litigation, including arbitration, mediation or other methods of dispute resolution, are in process. Copies on file shall not be obliterated in the manner prescribed in subdivision (b) below;

(b) copies provided to the public upon written request shall be marked, obliterated or provided in such a manner that the name, address and Social Security number, and other private information pertaining to each employee cannot be identified. All other information including identification of the contractor shall not be obliterated;

(c) the public entity may affirm or deny that a person(s) was or is employed on a public works contract (by a specific contractor) when asked, so long as the entity requires such information of an identifying nature which will reasonably preclude release of private or confidential information.

NOTE: Authority cited: Sections 54, 1773.5 and 1776, Labor Code. Reference: Section 1776, Labor Code.

SECTION IV

LABOR COMPLIANCE PROGRAM

ARTICLE I

PUBLIC WORKS SUBJECT TO PREVAILING WAGE LAWS

State prevailing wage rates apply to all public works contracts as set forth in Labor Code Sections 1720 et seq., and include, but are not limited to, such types of work as construction, alteration, demolition, repair, or maintenance work. The Office of Policy Research and Legislation (OPRL) predetermine the appropriate prevailing wage rates for particular construction trades and crafts by CITY. For more information, see the Sample Prevailing Wage Contractor Information Handout attached hereto as **Form 1**.

1. Types of Contracts to Which Prevailing Wage Requirements Apply

The CITY institutes this general Labor Compliance Program "LCP" for the purpose of implementing its policy relative to the labor compliance provisions of State and Federally-funded public works contracts.

As provided in Labor Code section 1771, an Awarding Body shall require payment of the general rate of per diem wages or the general rate of per diem wages for holiday and overtime work for any public works project of \$1,000 or more.

A project for construction, installation, alteration, demolition, repair, or maintenance work shall be identified as such in the call for bids, and in the contract or purchase order.

If the amount of a contract subject to Labor Code section 1771 is changed and, as a result, exceeds the applicable limit under which the payment of the general rate of per diem wages is not required, workers employed on the contract after the amount due the contractor has reached the applicable limit shall be paid the general rate of per diem wages for regular, holiday or overtime work, as the case may be.

2. Applicable Dates for Enforcement of the LCP

No contracts shall be subject to Labor Compliance Program jurisdiction nor shall the limited exemption from payment of prevailing wages pursuant to Labor Code section 1771.5, subdivision (a) apply to any contract of an Awarding Body **unless** and until the Labor Compliance Program has been approved by the Director pursuant to this subchapter. The applicable dates for enforcement of awarding body Labor Compliance Program is established by title 8 of the California Code of Regulations section 16422.

ARTICLE II
COMPETITIVE BIDDING ON CITY PUBLIC WORKS CONTRACTS

The CITY publicly advertises upcoming public works projects to be awarded according to a competitive bidding process. All CITY bid advertisements (or bid invitations) and public works contracts shall contain appropriate language concerning the requirements of the Labor Code. In the case of a contract for which there is no Call for Bids, the applicable date shall be the date of the award of the contract.

Notice of approval of the CITY's Labor Compliance Program shall be given in the Call for Bids and in the contract or purchase order and shall also be posted at the job site. If more than one job site exists or where such posting would endanger public safety, the notice may be posted in the manner prescribed by section 16100(b) of title 8 of the California Code of Regulations.

The notice of an approved Labor Compliance Program shall contain, at the minimum, the effective date of the Director's approval, a telephone number to call for inquiries, questions, or assistance with regard to the LCP, and the name of the agent or office administering the Labor Compliance Program.

ARTICLE III
JOB START MEETING

After the CITY awards the public works contract, and prior to the commencement of the work, the CITY shall conduct a mandatory Job Start meeting (Pre-Construction conference), which shall be conducted by the LCO with the contractor and those subcontractors listed in the contractor's bid documents.

At that meeting, the LCO will discuss the federal and state labor law requirements applicable to the contract, including prevailing wage requirements, the respective record keeping responsibilities, the requirement for the submittal of certified payroll records to the CITY, and the prohibition against discrimination in employment.

The LCO will provide the contractor and each subcontractor attending the Job Start Meeting with a Checklist of Labor Law Requirements (**attached hereto as Attachment A**) and shall discuss the items on the Checklist of Labor Law Requirements at the Job Start Meeting.

The contractors and subcontractors present at the Job Start meeting will be given the opportunity to ask questions of the LCO relative to the items contained in the Checklist of Labor Law Requirements. The Checklist will then be signed by the contractor's representative and the CITY's LCO.

At the Job Start meeting, the LCO will provide the contractor with a copy of the CITY's LCP package which includes: a copy of the approved LCP, the Checklist of Labor Law Requirements, blank certified payroll record forms, fringe benefit statements, and state apprenticeship requirements. A copy of the Labor Code relating to Public Works and Public Agencies (Part 7,

Chapter 1, Sections 1720-1861) and Prevailing Wage Rate Determination may be obtained at the Department of Industrial Relations website (<http://www.dir.ca.gov/DLSR.html>) and is available for viewing at the CITY's main office at 720 South Street, Susanville, CA 96130.

It will be the contractor's responsibility to provide copies of the LCP package to all listed subcontractors and to any substituted subcontractor performing work on a CITY project.

ARTICLE IV

CONTRACTOR PAYROLL REQUIREMENTS; REVIEW AND AUDIT PROCEDURES

1. Certified Payroll Records Required

The contractor and each subcontractor shall maintain payrolls and basic payroll-related records (i.e. timecards, canceled checks, cash receipts, trust fund forms, accounting ledgers, tax forms, superintendent and foreman daily logs, etc.) during the course of the work and shall preserve them for a period of three (3) years thereafter for all trades workers working on CITY projects which are subject to the LCP. Such records shall include the name, address, and social security number of each worker, his or her classification, a general description of the work each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, and actual wages paid. Time cards, front and back copies of cancelled checks, daily logs, employee sign-in sheets and/or any other records maintained for the purposes of reporting payroll may be requested by the LCO at any time and shall be provided immediately following the receipt of the request. See **Forms 6 and 7 attached hereto.**

a. Submittal of Certified Payroll Records

The contractor and each subcontractor shall maintain weekly certified payroll records for submittal to the CITY LCO as required. All certified payroll records shall be accompanied by a statement of compliance signed by the contractor or each subcontractor under penalty of perjury pursuant to Labor Code section 1771.5, subdivision (b)(3) and applicable regulations indicating that the payroll records are correct and complete, that the wage rates contained therein are not less than those determined by the Director of the Department of Industrial Relations, and that the classifications set forth for each employee conform with the work performed.

The certified payroll records required by Labor Code section 1776 may be maintained and submitted electronically if so called out in the contract document, and will be subject to all of the following conditions:

(i) The reports must contain all of the information required by Labor Code section 1776, with the information organized in a manner that is similar or identical to how the information is reported on the Department of Industrial Relations' suggested "Public Works Payroll Reporting Form" (Form A-1-131) (**Form 7 attached hereto**);

(ii) The reports shall be in a format and use software that is readily accessible and available to contractors, the CITY, the CITY's Labor Compliance Program, and the Department of Industrial Relations;

(iii) Reports submitted to an awarding body, a Labor Compliance Program, the Division of Labor Standards Enforcement, or other entity within the Department of Industrial Relations must be either (1) in the form of a non-modifiable image or record that bears an electronic signature or includes a copy of any original certification made on paper, or alternatively (2) printed out and submitted on paper with an original signature;

(iv) The requirements for redacting certain information shall be followed when certified payroll records are disclosed to the public pursuant to Labor Code Section 1776(e), whether the records are provided electronically or as hard copies; and

(v) No contractor or subcontractor shall be mandated to submit or receive electronic reports when it otherwise lacks the resources or capaCity to do so, nor shall any contractor or subcontractor be required to purchase or use proprietary software that is not generally available to the public.

b. Full Accountability

Each individual, laborer or craftsperson working on a public works contract must appear on the payroll. The basic concept is that the employer who pays the trades worker must report that individual on its payroll. This includes individuals working as apprentices in an apprenticeable trade. Owner-operators are to be reported by the contractor employing them; rental equipment operators are to be reported by the rental company paying the workers' wages.

Sole owners and partners who work on a contract must also submit a certified payroll record listing the days and hours worked and the trade classification descriptive of the work actually done.

The contractor shall (i) provide the records required under this section to the CITY within five (5) days of each payday, and (ii) make available the records for inspection by the Department of Industrial Relations, and (iii) permit representatives of the CITY and the Department of Industrial Relations to interview trades workers during working hours on the project site.

c. Responsibility for Subcontractors

The contractor shall be responsible for ensuring adherence to labor standards provisions by its subcontractors. Moreover, the prime contractor is responsible for Labor Code violations of its subcontractors in accordance with Labor Code section 1775.

2. **Payment to Employees**

Employees shall be paid on a regular basis. An employer must establish a fixed workweek (Sunday through Saturday, for example) and payday (such as every Friday or the preceding day

should such payday fall on a holiday). On each and every payday, each worker must be paid all sums due as of the end of the preceding workweek and must be provided with an itemized wage statement.

If an individual is called a subcontractor, whereas in fact, he/she is merely a journey level mechanic supplying only his/her labor, such an individual would not be deemed a bona fide subcontractor and must be reported on the payroll of the prime contractor as a trades worker. Moreover, any person who does not hold a valid contractor's license cannot be a subcontractor, and anyone hired by that person is the worker or employee of the general contractor for purposes of prevailing wage requirements, certified payroll reporting, and workers' compensation laws.

The worker's rate for straight time hours must equal or exceed the rate specified in the contract by reference to the "Prevailing Wage Determinations" for the class of work actually performed. Any work performed on Saturday, Sunday, and/or on a holiday, or portion thereof, must be paid for hours worked in excess of eight (8) hours in a day and forty (40) hours in a workweek shall be premium pay. All work performed on Saturday, Sunday and holidays shall be paid pursuant to the Prevailing Wage Determination. **See Form 8 attached hereto.**

3. Apprentices

The Labor Compliance Program shall be responsible for enforcing prevailing wage pay requirements for apprentices consistent with the practice of the Labor Commissioner, including (A) that any contributions required pursuant to Labor Code Section 1777.5(m) are paid to the appropriate entity, (B) that apprentices are paid no less than the prevailing apprentice rate, (C) that workers listed and paid as apprentices on the certified payroll records are duly registered as apprentices with the Division of Apprenticeship Standards, and (D) requiring that the regular prevailing wage rate be paid (i) to any worker who is not a duly registered apprentice and (ii) for all hours in excess of the maximum ratio permitted under Labor Code Section 1777.5(g), as determined at the conclusion of the employing contractor or subcontractor's work on the public works contract.

Either the CITY or the CITY's Labor Compliance Consultant acting on its behalf shall (A) inform contractors and subcontractors bidding public works about apprenticeship requirements, (B) send copies of awards and notices of discrepancies to the Division of Apprenticeship Standards as required under Section 1773.3 of the Labor Code, and (C) refer complaints and promptly report suspected violations of apprenticeship requirements to the Division of Apprenticeship Standards.

Apprentices shall be permitted to work as such only when they are registered, individually, under a bona fide apprenticeship program registered and approved by the State Division of Apprenticeship Standards. The allowable ratio of apprentices to journeypersons in any craft/classification shall not be greater than the ratio permitted to the contractor as to its entire workforce under the registered program.

Any worker listed on a payroll at an apprentice wage rate who is not registered shall be paid the journey level wage rate determined by the Department of Industrial Relations for the classification of the work he/she actually performed. Pre-apprentice trainees, trainees in non-

apprenticeable crafts, and others who are not duly registered will not be permitted on public works projects unless they are paid full prevailing wage rates as journeypersons. For additional information, see **Form 2 attached hereto**.

Compliance with California Labor Code section 1777.5 requires all public works contractors and subcontractors to:

a. **Submit** contract award information to the Apprenticeship Committee for each apprenticeable craft or trade in the area of the Project; **See Form 3 attached hereto** and

b. **Request** dispatch of apprentices from the applicable Apprenticeship Program(s) and employ apprentices on public works projects in a ratio to journeypersons which in no case shall be less than one (1) hour of apprentice work to each five (5) hours of journeyperson work.; **See Form 4 attached hereto** and

c. **Contribute** to the applicable Apprenticeship Program(s) or the California Apprenticeship Council in the amount identified in the prevailing wage rate publication for journeypersons and apprentices. If payments are not made to an Apprenticeship Program, they shall be made to the California Apprenticeship Council, Post Office Box 511283, Los Angeles, CA 90051-7838. **See Form 5 attached hereto**.

If the contractor is registered to train apprentices, it shall furnish to the CITY written evidence of the registration (i.e., Apprenticeship Agreement or Statement of Registration) of its training program and apprentices, as well as the ratios allowed and the wage rates required to be paid thereunder for the area of construction, prior to using any apprentices in the contract work. It should be noted that a prior approval for a separate project does not confirm approval to train on any project. The contractor/subcontractor must check with the applicable Joint Apprenticeship Committee to verify status.

4. **Review and Audit of Certified Payroll Records**

The primary function of the CITY Labor Compliance Program is to ensure that public works contractors comply with the prevailing wage requirements found in the Public Works Chapter of the Labor Code. This regulation is intended to establish minimum requirements which all Labor Compliance Programs shall meet or exceed in carrying out that function. Definitions found throughout this regulation are intended to provide Labor Compliance Programs and representatives of the Department of Industrial Relations and the Division of Labor Standards Enforcement with common terminology as they each perform their respective roles in prevailing wage enforcement in furtherance of the Labor Code provisions establishing Labor Compliance Programs. This regulation is also intended to confirm that the proactive investigation methods, as described in detail herein, only comprise the minimum obligations required of Labor Compliance Programs to satisfy their duty to the Director to operate a Labor Compliance Program as specified in sections 16428 and 16434.

(i) Payroll records furnished by contractors and subcontractors in accordance with section 16421(a)(3), and in a format prescribed at section 16401 of title 8 of the California Code of Regulations, shall be reviewed by the CITY's Labor Compliance Program as

promptly as practicable after receipt thereof, but in no event more than 30 days after such receipt. "Review" for this purpose shall be defined as inspection of the records furnished to determine if (1) all appropriate data elements identified in Labor Code section 1776(a) have been reported; (2) certification forms have been completed and signed in compliance with Labor Code section 1776(b); and (3) the correct prevailing wage rates have been reported as paid for each classification of labor listed thereon with confirmation of payment as outlined below.

(ii) Representatives of the Labor Compliance Program shall conduct in-person inspections at the site or sites at which the contract for public work is being performed ("On-Site Visits"). On-Site Visits may be undertaken randomly or as deemed necessary by the Labor Compliance Program, but shall be undertaken during each week that workers are present at sites at which the contract for public work is being performed. All On-Site Visits shall include visual inspection of (1) the copy of the determination(s) of the Director of Industrial Relations of the prevailing wage rate of per diem wages required to be posted at each job site in compliance with Labor Code Section 1773.2, and (2) the Notice of Labor Compliance Program Approval required to be posted at the job site in accordance with section 16429 above, listing a telephone number to call for inquiries, questions, or assistance with regard to the Labor Compliance Program. On-Site Visits may include other activities deemed necessary by the Labor Compliance Program to independently corroborate prevailing wage payments reported on payroll records furnished by contractors and subcontractors.

(ii) "Confirmation" of payroll records furnished by contractors and subcontractors shall be defined as an independent corroboration of reported prevailing wage payments. Confirmation may be accomplished through worker interviews, examination of paychecks or paycheck stubs, direct confirmation of payments from third party recipients of "Employer Payments" (as defined at section 16000 of Title 8 of the California Code of Regulations), or any other reasonable method of corroboration. For each month in which a contractor or subcontractor reports having workers employed on the public work, confirmation of furnished payroll records shall be undertaken randomly for at least one worker for at least one weekly period within that month. Confirmation shall also be undertaken whenever complaints from workers or other interested persons or other circumstances or information reasonably suggest to the CITY's Labor Compliance Program that payroll records furnished by a contractor or subcontractor are inaccurate.

An Audit, as defined herein, shall be prepared by the Labor Compliance Program whenever the Labor Compliance Program has determined that there has been a violation of the Public Works Chapter of the Labor Code resulting in the underpayment of wages. An "Audit" for this purpose shall be defined as a written summary reflecting prevailing wage deficiencies for each underpaid worker, and including any penalties to be assessed under Labor Code Sections 1775 and 1813, as determined by the Labor Compliance Program after consideration of the best information available as to actual hours worked, amounts paid, and classifications of workers employed in connection with the public work. Such available information may include, but is not limited to, worker interviews, complaints from workers or other interested persons, all time cards, cancelled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other evidences which reflect job assignments, work schedules by days and hours, and the disbursement by way of cash, check, or in whatever form or manner, of funds to a person(s) by job classification and/or skill pursuant to a public works project. An Audit is sufficiently detailed when

it enables the Labor Commissioner, if requested to determine the amount of forfeiture under section 16437, to draw reasonable conclusions as to compliance with the requirements of the Public Works Chapter of the Labor Code, and to enable accurate computation of underpayments of wages to workers and of applicable penalties and forfeitures. An Audit using the forms in Attachment B, when accompanied by a brief narrative identifying the Bid Advertisement Date of the contract for public work and summarizing the nature of the violation and the basis upon which the determination of underpayment was made, presumptively demonstrates sufficiency. Records supporting an Audit shall be maintained by the Labor Compliance Program to satisfy its burden of coming forward with evidence in administrative review proceedings under Labor Code Section 1742 and the Prevailing Wage Hearing Regulations found at sections 17201-17270 of Title 8 of the California Code of Regulations.

After the Labor Compliance Program has determined that violations of the prevailing wage laws have resulted in the underpayment of wages and an audit has been prepared, notification shall be provided to the contractor and affected subcontractor of an opportunity to resolve the wage deficiency prior to a determination of the amount of forfeiture by the Labor Commissioner pursuant to these regulations. The contractor and affected subcontractor shall be provided at least 10 days following such notification to submit exculpatory information consistent with the "good faith mistake" factors set forth in Labor Code Section 1775(a)(2)(A)(i) and (ii). If, based upon the contractor's submission, the Labor Compliance Program reasonably concludes that the failure to pay the correct wages was a good faith mistake, and has no knowledge that the contractor and affected subcontractor have a prior record of failing to meet their prevailing wage obligations, the Labor Compliance Program shall not be required to request the Labor Commissioner for a determination of the amount of penalties to be assessed under Labor Code Section 1775 if the underpayment of wages to workers is promptly corrected and proof of such payment is submitted to the Labor Compliance Program. For each instance in which a wage deficiency is resolved in accordance with this regulation, the Labor Compliance Program shall maintain a written record of the failure of the contractor or subcontractor to meet its prevailing wage obligation. The record shall identify the public works project, the contractor or affected subcontractor involved, and the gross amount of wages paid to workers to resolve the prevailing wage deficiency; and the record shall also include a copy of the Audit prepared pursuant to subpart (e) above along with any exculpatory information submitted to the Labor Compliance Program by the affected contractor or subcontractor.

The audit record form (**attached hereto as Attachment B**) demonstrates the sufficient detail that is necessary to verify compliance with Labor Code requirements.

ARTICLE V
REPORTING OF WILLFUL VIOLATIONS TO THE LABOR COMMISSIONER

It is the CITY's policy that the public works prevailing wage requirements set forth in the Labor Code, sections 1720 – 1861, be strictly enforced. Therefore, contractors and subcontractors found to be willful violators under Labor Code section 1777.1 shall be referred to the Labor Commissioner for debarment from bidding on or otherwise being awarded any public work contract in California for the performance of construction and/or maintenance services for a period not to exceed three (3) years in duration. The debarment period shall depend upon the nature and severity of the Labor Code violations and any mitigating and/or aggravating factors, which may be presented at the hearing conducted by the Labor Commissioner for such purpose.

If an investigation reveals that a willful violation of Labor Code section 1777.1 has occurred, the LCO will make a written report to the CITY and the Labor Commissioner (**see Form 13 attached hereto**) which shall include: (1) an Audit consisting of a comparison of payroll records to the best available information as to the actual hours worked and (2) the classification of workers employed on the public works contract. Six (6) types of willful violations shall be reported:

1. **Failure to Comply with Prevailing Wage Rate Requirements**

Failure to comply with prevailing wage rate requirements (as set forth in the Labor Code and CITY contracts) is determined a willful violation whenever less than the stipulated basic hourly rate is paid to trades workers, or if overtime, holiday rates, fringe benefits, and/or employer payments are paid at a rate less than stipulated.

2. **Falsification of Payroll Records, Misclassification of Work, and/or Failure to Accurately Report Hours of Work**

Falsification of payroll records and failure to accurately report hours of work is characterized by deliberate underreporting of hours of work; underreporting the headcount; stating that the proper prevailing wage rate was paid when, in fact, it was not; clearly misclassifying the work performed by the worker; and any other deliberate and/or willful act which results in the falsification or inaccurate reporting of payroll records. Such violations are deemed to be willful violations committed with the intent to defraud.

3. **Failure to Submit Certified Payroll Records**

Contractors or subcontractors who refuse to comply with a request by the CITY Labor Compliance Program for certified payroll reports or substantiating information and records will be determined to be in willful violation of the Labor Code. Additionally, refusal to correct inaccuracies or omissions that have been discovered will also be determined to be a willful violation of the Labor Code.

4. **For Failure to Pay Fringe Benefits**

Fringe benefits are defined as the amounts stipulated for employer payments or trust fund contributions and are determined to be part of the required prevailing wage rate. Failure to pay or provide fringe benefits and/or make trust fund contributions on a timely basis is equivalent to payment of less than the stipulated wage rate and shall be reported to the CITY and the Labor Commissioner as a willful violation, upon completion of an investigation and audit.

5. **Failure to Pay the Correct Apprentice Rates and/or Misclassification of Workers as Apprentices**

Failure to pay the correct apprentice rate or classifying a worker as an apprentice when not properly registered is equivalent to payment of less than the stipulated wage rate and shall be reported to the CITY and the Labor Commissioner as a willful violation, upon completion of an investigation and Audit.

6. **For the Taking of Kickbacks**

Accepting or extracting kickbacks from employee wages under Labor Code section 1778 constitutes a felony and may be prosecuted by the appropriate enforcement agency.

ARTICLE VI
ENFORCEMENT ACTION

1. **Duty of the CITY as the Awarding Body**

a. Duty to Director of Department of Industrial Relations.

The CITY's Labor Compliance Program has a duty to the Director of the Department of Industrial Relations to enforce the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code and Chapter 8 of Division 1 of the California Code of Regulations in a manner consistent with the practice of the Labor Commissioner (8 Cal Code Reg 16434 A). It is the practice of the Labor Commissioner to refer to the Director's ongoing advisory service of web-posted public works coverage determinations as a source of information and guidance in making enforcement decisions. These are available at the Department of Industrial Relations web site (www.dir.ca.gov) and the Office of Policy Research and Legislation link. It is also the practice of the Labor Commissioner to be represented by an attorney in prevailing wage hearings conducted pursuant to Labor Code section 1742(b) and sections 17201 – 17270 of Title 8 of the California Code of Regulations.

b. Labor Compliance Program Record Keeping Duty

For each public work project subject to a Labor Compliance Program's enforcement of prevailing wage requirements, a separate, written summary of labor compliance activities and relevant facts pertaining to that particular project shall be maintained (**see Form 14 attached hereto**). That summary shall demonstrate that reasonable and sufficient efforts have

been made to enforce prevailing wage requirements consistent with the practice of the Labor Commissioner. Compliance records for a project shall be retained until the later of (1) at least one year after the acceptance of the public work or five years after the cessation of all labor on a public work that has not been accepted, or (2) one year after a final decision or judgment in any litigation under Labor Code section 1742. For purposes of this section, a written summary or report includes information maintained electronically, provided that the summary or report can be printed out in hard copy form or is in an electronic format that (1) can be transmitted by e-mail or compact disk and (2) would be acceptable for the filing of documents in a federal or state court of record within this state.

2. **Withholding Contract Payments When Payroll Records are Delinquent or Inadequate**

The CITY shall withhold contract payments when payroll records are delinquent or inadequate or when, after an investigation, it is established that underpayment of the prevailing wage has occurred. Withholding of contract payments by a Labor Compliance Program, approved by the Department of Industrial Relations, is authorized by Labor Code section 1771.6 and title 8, California Code of Regulations, section 16435, et seq. The CITY's Labor Compliance Program will refer to the Director's ongoing advisory service of web-posted public works coverage determinations as a source of information and guidance in making enforcement decisions.

a. "Withhold" means to cease payments by the Awarding Body, or others who pay on its behalf, or agents, to the general contractor. Where the violation is by a subcontractor, the general contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code section 1729.

b. Except as otherwise provided by agreement, only contracts under a single master contract, including a Design-Build contract, or contracts entered into as stages of a single project, may be the subject of withholding.

c. "Delinquent payroll records" means those not submitted on the date set in the CITY contract and the Labor Compliance Program.

d. "Inadequate payroll records" are any one of the following:

(i) A record lacking any of the information required by Labor Code section 1776;

(ii) A record which contains all of the required information but is not certified, or is certified by someone who is not an agent of the contractor or subcontractor;

(iii) A record remaining uncorrected for one payroll period, after the CITY's Labor Compliance Program has given the contractor or subcontractor notice of inaccuracies detected by audit or record review. However, prompt correction by contractor or subcontractor will stop any duty of CITY to withhold if such inaccuracies do not amount to one (1) percent of the entire Certified Weekly Payroll in dollar value and do not affect more than half the persons listed as workers employed on that Certified Weekly Payroll, as defined in Labor Code section 1776 and section 16401 of title 8 of the California Code of Regulations.

e. The withholding of contract payments when payroll records are delinquent or inadequate is required by Labor Code section 1771.5, subdivision (b)(5), and it does not require the prior approval of the Labor Commissioner is not mandatory, however. The CITY shall only withhold those payments due or estimated to be due to the contractor or subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the CITY's LCP has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the contractor or subcontractor whose payroll records are delinquent or inadequate; *provided that* a contractor shall be required in turn to cease all payments to a subcontractor whose payroll records are delinquent or inadequate until the Labor Compliance Program provides notice that the subcontractor has cured the delinquency or deficiency.

f. When contract payments are withheld under this section, the LCP shall provide the contractor and subcontractor (if applicable) with immediate written notice that includes all of the following: (1) a statement that payments are being withheld due to delinquent or inadequate payroll records, identifying what records are missing or states why records that have been submitted are deemed inadequate; (2) specifies the amount being withheld; and (3) informs the contractor or subcontractor of the right to request an expedited hearing to review the withholding of contract payments under Labor Code section 1742, limited to the issue of whether the records are delinquent or inadequate or the Labor Compliance Program has exceeded its authority under this section. Form attached hereto as **Attachment C**.

g. No contract payments shall be withheld solely on the basis of delinquent or inadequate payroll records after the required records have been produced.

h. In addition to withholding contract payments based on delinquent or inadequate payroll records, penalties shall be assessed under Labor Code section 1776, subdivision (h) for failure to timely comply with a written request for certified payroll records. The assessment of penalties under Labor Code section 1776, subdivision (h) does require the prior approval of the Labor Commissioner under section 16435 of title 8 of the California Code of Regulations, which the Labor Compliance Program shall obtain.

3. Receipt of a Written Complaint

Upon receipt of a written complaint alleging that a contractor or subcontractor has failed to pay prevailing wages as required by the Labor Code, the Labor Compliance Program shall do all of the following:

a. Within 15 days after receipt of the complaint, send a written acknowledgment to the complaining party that the complaint has been received and identifying the name, address, and telephone number of the investigator assigned to the complaint;

b. Within 15 days after receipt of the complaint, provide the affected contractor with the notice required under Labor Code section 1775, subdivision (c) if the complaint is against a subcontractor;

c. Notify the complaining party in writing of the resolution of the complaint within ten days after the complaint has been resolved by the Labor Compliance Program;

d. Notify the complaining party in writing at least once every 30 days of the status of a complaint that has not been resolved by the Labor Compliance Program; and

e. Notify the complaining party in writing at least once every 90 days of the status of a complaint that has been resolved by the Labor Compliance Program but remains under review or in litigation before another entity.

4. **Withholding for Violation for Not Paying the Per Diem Prevailing Wage**

a. "Amount equal to the underpayment" is the total of the following determined by payroll review, audit, or admission of the contractor or subcontractor:

(i) The difference between the amounts paid to workers and the correct General Prevailing Wage Rate of Per Diem Wages as defined in section 16000 et. seq. of title 8 of the California Code of Regulations;

(ii) The difference between the amounts paid to workers and the correct amounts of employer payments, as defined in section 16000 et seq. of title 8 of the California Code of Regulations and determined to be part of the prevailing rate costs of contractors due for employment of workers in such craft, classification, or trade in which they were employed and the amounts paid;

(iii) Estimated amounts of "illegal taking of wages"; and

(iv) Amounts of apprenticeship training contributions paid to neither the program sponsor's training trust nor the California Apprenticeship Council.

b. Penalties under Labor Code sections 1775 and 1813:

(i) Pursuant to Labor Code section 1775, the contractor shall, as a penalty to the CITY, forfeit up to two hundred (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wages.

(ii) Pursuant to Labor Code section 1813, the contractor shall, as a penalty to the CITY, forfeit one hundred dollars (\$100) for each worker employed in the execution of the contract by the contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week.

5. **Forfeitures Requiring Approval by the Labor Commissioner**

Forfeitures are assessed by the Labor Compliance Program for the violations of the prevailing wage laws and which are proposed to be withheld pursuant to Labor Code Section 1771.6(a). Forfeitures are assessed for the following (1) the difference between the prevailing

wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate by the contractor or subcontractor; and (2) penalties assessed under Labor Code sections 1775, 1776 and 1813.

If the aggregate amount of forfeitures assessed as to a contractor or subcontractor is less than \$1000.00, the forfeitures shall be deemed approved by the Labor Commissioner upon service and the Labor Commissioner's receipt of copies of the following: (1) the Notice of Withholding of Contract Payments authorized by Labor Code section 1771.6(a); (2) an Audit as defined in section 16432(e) of these regulations, and (3) a brief narrative identifying the Bid Advertisement Date of the contract for public work and summarizing the nature of the violation, the basis of the underpayment, and the factors considered in determining the assessment of penalties, if any, under Labor Code section 1775.

The LCP shall request and obtain approval for all other forfeitures from the Labor Commissioner for failure to pay the correct rate of prevailing wages. Failure to pay the correct rate of prevailing wages means those public works violations which the Labor Commissioner has exclusive authority to approve before they are recoverable by the LCP, and which are appealable by the contractor before the Director of the Department of Industrial Relations under Labor Code sections 1742 and 1742.1 and pursuant to Sections 17201 through 17270 of Title 8 of the California Code of Regulations. Form attached hereto as **Form 16**

Regardless of what is defined as prevailing wages in contract terms, noncompliance with the following are considered failures to pay prevailing wages:

(i) Nonpayment of items defined as "Employer Payments" and "General Prevailing Rate of Per Diem Wages" in section 16000 of title 8 of the California Code of Regulations and Labor Code section 1771;

(ii) Failure to provide complete and accurate payroll records, as required by Labor Code section 1776;

(iii) Paying apprentice wages lower than the journey level rate to a worker who is not an apprentice as defined in Labor Code section 3077, working under an apprentice agreement in a recognized program;

(iv) Accepting or extracting kickbacks, in violation of Labor Code section 1778;

(v) Engaging in prohibited actions related to fees for registration as a public works employee, in violation of Labor Code section 1779; and

(vi) Failure to pay overtime for work over eight (8) hours in any one day or forty (40) hours in any one week, in violation of Labor Code sections 1813, 1815, section 16200(a)(3)(F) of title 8 of the California Code of Regulations.

6. **Determination of Amount of Forfeiture by the Labor Commissioner**

a. Where the Labor Compliance Program requests a determination from the Labor Commissioner of the amount of forfeiture, the request shall include a file or report to the Labor Commissioner which contains at least the information specified in subparts (i) through (ix) below.

(i) Whether the public work has been accepted by the CITY and whether a valid notice of completion has been filed, the dates if any when those events occurred, and the amount of funds being held in retention by the CITY;

(ii) Any other deadline which if missed would impede collection;

(iii) Evidence of violation, in narrative form;

(iv) Evidence of violation obtained under title 8 of the California Code of Regulation section 16432 and a copy of the Audit prepared in accordance with title 8 of the California Code of Regulation section 16432(e) setting forth the amounts of unpaid wages and applicable penalties;

(v) Evidence that before the request for forfeiture was sent to the Labor Commissioner (A) the contractor and subcontractor were given the opportunity to explain why there was no violation, or that any violation was caused by good faith mistake and promptly corrected when brought to the contractor or subcontractor's attention, and (B) the contractor and subcontractor either did not do so or failed to convince the Labor Compliance Program of its position;

(vi) Where the Labor Compliance Program seeks not only wages but also a penalty under Labor Code section 1775 as part of the forfeiture, and the contractor or subcontractor has unsuccessfully contended that the cause of violation was a good faith mistake, a short statement should accompany the proposal for a forfeiture, with a recommended penalty amount pursuant to Labor Code section 1775, subdivision (a);

(vii) Where the Labor Compliance Program seeks only wages or a penalty computed at less than \$200 per day as part of the forfeiture and the contractor or subcontractor has successfully contended that the cause of the violation was a good faith mistake that was promptly corrected when brought to the contractor or subcontractor's attention, the file should include the evidence as to the contractor or subcontractor's knowledge of his or her obligation, including the LCP's communication to the contractor or subcontractor of the obligation in the bid invitations, the Job Start Meeting agenda and records, and any other notice given as part of the contracting process. If the amount of wages sought includes overtime, penalties under Labor Code section 1813 should be computed at \$100 per day for each calendar day during which each worker was required or permitted to work more than eight (8) hours in any one calendar day and 40 hours in any one calendar week. With the file should be a statement, similar to that described in (vi) above), and recommended penalty amounts, pursuant to Labor Code section 1775, subdivision (a);

(viii) The previous record of the contractor and subcontractor in meeting their prevailing wage obligations; and

(ix) Whether the Labor Compliance Program has been granted approval on only an interim or temporary basis under title 8 of California Code of Regulations sections 16425 or 16426 or whether it has been granted extended approval under section 16427.

b. The file or report shall be served on the Labor Commissioner as soon as practicable after the violation has been discovered, and not less than 30 days before the final payment, but in no event later than 30 days after the filing of a valid Notice of Completion in the Office of the CITY Recorder, whichever occurs last.

c. A copy of the proposed forfeiture and the file or report shall be served on the contractor, and subcontractor if applicable, at the same time as it is sent to the Labor Commissioner. The Labor Compliance Program may exclude from the documents served on the contractor and subcontractor copies of documents secured from the contractor or subcontractor during an Audit, investigation, or meeting if those are clearly referenced in the file or report.

d. The Labor Commissioner shall affirm, reject, or modify the forfeiture in whole or in part as to the wages and penalties due.

e. The Labor Commissioner's determination of the forfeiture is effective on one of the two following dates:

(i) For all programs other than those having extended authority under title 8 of the California Code of Regulation section 16427, on the date the Labor Commissioner serves by first class mail, on the Labor Compliance Program, on the CITY, on the contractor and on the subcontractor, if any, an endorsed copy of the proposed forfeiture, or a newly drafted forfeiture statement which sets out the amount of forfeiture approved. Service on the contractor or subcontractor is effective if made on the last address supplied by the contractor or subcontractor in the record. The Labor Commissioner's approval, modification or disapproval of the proposed forfeiture shall be served within 30 days of receipt of the proposed forfeiture.

(ii) For programs with extended authority under title 8 of the California Code of Regulation section 16427, approval is effective 20 days after the requested forfeitures are served upon the Labor Commissioner, unless the Labor Commissioner serves a notice upon the parties, within that time period, that this forfeiture request is subject to further review. For such programs, a notice that approval will follow such a procedure will be included in the transmittal of the forfeiture request to the contractor. If the Labor Commissioner notifies the parties of a decision to undertake further review, the Labor Commissioner's final approval, modification or disapproval of the proposed forfeiture shall be served within 30 days of the date of notice of further review.

7. Deposits of Penalties and Forfeitures Withheld

a. Where the involvement of the Labor Commissioner has been limited to a determination of the actual amount of penalty, forfeiture, or underpayment of wages, and the

matter has been resolved without litigation by or against the Labor Commissioner, the CITY shall deposit penalties and forfeitures into its General Fund.

b. Where collection of fines, penalties, or forfeitures results from court action to which the Labor Commissioner and the CITY are both parties, the fines, penalties, or forfeitures shall be divided between the General Funds of the State of California and the CITY, as the court may decide.

c. All amounts recovered by suit brought by the Labor Commissioner, and to which the CITY is not a party, shall be deposited in the General Fund of the State of California.

d. All wages and benefits which belong to a worker and are withheld or collected from a contractor or subcontractor, either by withholding or as a result of court action pursuant to Labor Code section 1775, and which have not been paid to the worker or irrevocably committed on the worker's behalf to a benefits fund, shall be deposited with the Labor Commissioner, who will deal with such wages and benefits in accordance with Labor Code section 96.7.

ARTICLE VII
NOTICE OF WITHHOLDING OF CONTRACT PAYMENTS; REVIEW THEREOF;
AND SETTLEMENT AUTHORITY

1. **Notice of Withholding of Contract Payments**

After determination of the amount of forfeiture by the Labor Commissioner, the CITY shall provide notice of withholding of contract payments ("Notice" or "NWCP") to the contractor and subcontractor, if applicable. The Notice shall be in writing and shall describe the nature of the violation and the amount of wages, penalties, and forfeitures withheld. Service of the Notice shall be completed pursuant to Civil Procedure Code section 1013 by first-class and certified mail to the contractor and subcontractor, if applicable. The Notice shall advise the contractor and subcontractor (if applicable) of the procedure for obtaining review of the withholding of contract payments. The CITY shall also serve a copy of the Notice by certified mail to any bonding company issuing a bond that secures the payment of wages covered by the Notice and to any surety on a bond, if their identities are known to the CITY. A sample of the Notice of Withholding of Contract Payments to be utilized by the CITY is **attached hereto as Attachment C, D.**

2. **Review of Notice of Withholding of Contract Payments**

a. An affected contractor or subcontractor may obtain a review of a NWCP by transmitting a written request for a review hearing to the LCP within sixty (60) days after service of the NWCP. If no hearing is requested within sixty (60) days after service of the Notice, the NWCP shall become final.

b. Within ten (10) days following the receipt of the request for a review hearing, the LCP shall transmit to the Office of the Director-Legal Unit the request for review and copies of the NWCP, any Audit summary that accompanied the notice, and a proof of service or other documents showing the name and address of any bonding company or surety that secures

the payment of the wages covered by the notice. A copy of the required Notice of Transmittal to be utilized is **Attachment E** to this document.

c. The CITY may be represented by an attorney in prevailing wage hearings conducted pursuant to Labor Code section 17429, subdivision (b) and sections 17201- 17270 of title 8 of the California Code of Regulations.

d. Upon receipt of a timely request, a hearing shall be commenced within ninety (90) days before the Director, who shall appoint an impartial hearing officer possessing the qualifications of an administrative law judge pursuant to Government Code section 11502, subdivision (b). The appointed hearing officer shall be an employee of the Department of Industrial Relations, but shall not be an employee of the Division of Labor Standards Enforcement. The contractor or subcontractor shall be provided an opportunity to review evidence to be utilized by the Labor Compliance Program at the hearing within twenty (20) days of the receipt of the written request for a hearing. Any evidence obtained by the Labor Compliance Program subsequent to the twenty (20) day cutoff shall be promptly disclosed to the contractor or subcontractor. A copy of a Notice of Opportunity to Review Evidence pursuant to Labor Code section 1742(b) form attached hereto as **Attachment F**.

e. The contractor or subcontractor shall have the burden of proving that the basis for the NWCP is incorrect. The NWCP shall be sufficiently detailed to provide fair notice to the contractor or subcontractor of the issues at the hearing.

f. Within forty five (45) days of the conclusion of the hearing, the Director shall issue a written decision affirming, modifying, or dismissing the assessment. The decision of the Director shall consist of a notice of findings, findings, and an order. This decision shall be served on all parties pursuant to Code of Civil Procedure section 1013 by first-class mail at the last known address of the party on file with the Labor Compliance Program. Within fifteen (15) days of the issuance of the decision, the Director may reconsider or modify the decision to correct an error, except that a clerical error may be corrected at any time.

g. The Director has adopted regulations setting forth procedures for hearings. The regulations (California Code of Regulations, title 8, chapter 8, subchapter 6, sections 17201-17270) may be found at www.dir.ca.gov and are available for review at the CITY's office located at 720 South Street, Susanville, CA 96130.

h. An affected contractor or subcontractor may obtain review of the decision of the Director by filing a petition for a writ of mandate to the appropriate superior court pursuant to Code of Civil Procedure section 1094.5 within forty five (45) days after service of the decision. If no petition for writ of mandate is filed within forty five (45) days after service of the decision, the order shall become final. If it is claimed in a petition for writ of mandate that the findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in the light of the whole record.

i. A certified copy of a final order may be filed by the Labor Commissioner in the office of the clerk of the superior court in any CITY in which the affected contractor or

subcontractor has property or has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

j. A judgment entered pursuant to this procedure shall bear the same rate of interest and shall have the same effect as other judgments and shall be given the same preference allowed by law on other judgments rendered for claims for taxes. The clerk shall not charge for the service performed by him or her pursuant to this section.

k. This procedure shall provide the exclusive method for review of a NWCP by the CITY to withhold contract payments pursuant to Labor Code section 1771.5.

l. Note that a release under Civil Code section 3196 may not be posted for the release of funds being withheld for violations of the prevailing wage law.

3. **Settlement Authority**

A contractor or subcontractor may request a settlement meeting pursuant to Labor Code Section 1742.1(b) and may request review of a Labor Compliance Program enforcement action in accordance with Labor Code Sections 1771.6(b) and 1742 and the regulations found at sections 17201-17270 of Title 8 of the California Code of Regulations. The Labor Compliance Program shall have the rights and responsibilities of the Enforcing Agency (as defined in section 17202(f) of Title 8 of the California Code of Regulations), in responding to such a request for review, including but not limited to the obligations to serve notices, transmit the Request for Review to the hearing office, and provide an opportunity to review evidence in a timely manner, to participate through counsel in all hearing proceedings, and to meet the burden of establishing prima facie support for the Notice of Withholding of Contract Payments.

If a contractor or subcontractor seeks review of a Labor Compliance Program enforcement action, the Labor Commissioner may intervene to represent the Awarding Body, or to enforce relevant provisions of the Labor Code consistent with the practice of the Labor Commissioner, or both.

Except in cases where the Labor Commissioner has intervened pursuant to 8 California Code of Regulations, section 16439 (b), the Labor Compliance Program shall have the authority to prosecute, settle, or seek the dismissal of any NWCP issued pursuant to Labor Code section 1771.6 and any review proceeding under Labor Code section 1742, without any further need for approval by the Labor Commissioner. Whenever the LCP settles in whole or in part or seeks and obtains the dismissal of a NWCP or a review proceeding under Labor Code section 1742, the Labor Compliance Program shall document the reasons for the settlement or request for dismissal and shall make that documentation available to the Labor Commissioner upon request.

ARTICLE VIII
DISTRIBUTION OF FORFEITED SUMS

1. Before making payments to the contractor of money due under a contract for public work, the CITY shall withhold and retain there from all amounts required to satisfy the NWCP. The amounts required to satisfy the NWCP shall not be disbursed by the CITY until receipt of a final order that is no longer subject to judicial review.

2. From the amount withheld and/or recovered, the wage claim shall have priority status and be satisfied prior to the amount being applied to penalties. Thus, all workers employed on the public works project who are paid less than the prevailing wage rate shall have priority over all Stop Notices filed against the prime contractor. If insufficient money is withheld or recovered to pay each underpaid worker in full, the money shall be prorated among all workers affected. Workers employed on the public works project who are paid less than the prevailing wage rate shall have PRIORITY over any Stop Notice filed against the contractor pursuant to Civil Code section 3179 et seq.

3. Wages for workers who cannot be located shall be placed in the Industrial Relations Unpaid Fund and held in trust for the workers pursuant to Labor Code section 96.7. Penalties shall be paid into the General Fund of the CITY that has enforced this chapter pursuant to Labor Code section 1771.5.

ARTICLE IX
OUTREACH ACTIVITIES

To ensure the successful implementation of the CITY's LCP, there shall be several outreach activities initiated and maintained.

1. **Providing Information to the Public**

The LCO shall be responsible for communication and outreach activities relative to public information on the CITY's LCP:

a. Regular presentations to contractors at all Job Start Meetings (Pre-Construction conferences).

b. Ongoing communication via correspondence and on site interviews with workers at CITY job sites which are described in greater detail in the attached Operation Manual.

c. Periodic meetings with contractor organizations, prime contractors and subcontractors interested in public works contracting.

2. **In-service Management training on the LCP**

The LCO shall provide ongoing management in-servicing and workshops for the administration of the LCP.

ARTICLE X
ANNUAL REPORTS

The CITY Labor Compliance Program shall submit to the Director an annual report on its operation by no later than August 31 of each year. The annual report shall cover the twelve month period commencing on July 1 of the preceding calendar year and ending on June 30 of the year in which the report is due. For good cause, the Director may authorize a Labor Compliance Program to use a different reporting period and provide for the annual report to be due no later than 60 days following the close of that reporting period. For a Labor Compliance Program approved prior to July 1, 2009, the Director may require the filing of an interim or supplemental report to cover any gap between the reporting period prescribed under former subpart (d) of this section prior to August 1, 2010 and subpart (a).

The CITY annual report shall be made on the appropriate form for the type of Labor Compliance Program that is submitting the report, unless the Director has agreed to a different reporting format for a Program that has been granted extended authority under section 16427 above. A third party Labor Compliance Program that contracted with more than one Awarding Body or Joint Powers Authority during the annual reporting period shall separately report on Labor Code Section 1771.5(b) enforcement activities for each Awarding Body or Joint Powers Authority covered by the report. **(Form 15)**

The Annual Report for a person or entity operating a third party Labor Compliance Program shall also include (1) a certification of compliance with conflict of interest disclosure requirements by employees and consultants who participate in making governmental decisions, as defined under Title 2, California Code of Regulations, section 18701, and (2) a current statement disclosing the information required under section 16426(a)(2), (3) and (5) above.

Information in the Annual Report shall be reported in sufficient detail to afford a basis for evaluating the scope and level of enforcement activity of the Labor Compliance Program. An annual report shall also include such additional information as the Labor Compliance Program may be required to report as a condition of its approval.

A Labor Compliance Program that has ceased operating, either due to the voluntary termination of its program or the revocation of its approval by the Director, shall file a closing annual report within sixty (days) following its last day of operation as an approved program.

**CHECKLIST OF LABOR LAW REQUIREMENTS
FOR REVIEW AT JOB START MEETINGS
(In accordance with Section 16421 of Title 8 of the California Code of Regulations)**

The federal and state labor law requirements applicable to the contract are composed of, but not limited to, the following:

1. Payment of Prevailing Wage Rates

The award of a public works contract requires that all workers employed on the project be paid not less than the specified general prevailing wage rates by the contractor and its subcontractors pursuant to Labor Code section 1770 et seq.

The contractor is responsible for obtaining and complying with all applicable general prevailing wage rates for trades workers and any rate changes, which may occur during the term of the contract. Prevailing wage rates and rate changes are to be posted at the job site for workers to view.

2. Apprentices

It is the duty of the contractor and subcontractors to employ registered apprentices on public works projects pursuant to Labor Code section 1777.5.

3. Penalties

Penalties, including forfeitures and debarment, shall be imposed for contractor/subcontractor failure to pay prevailing wages, failure to maintain and submit accurate certified payroll records upon request, failure to employ apprentices, and for failure to pay employees for all hours worked at the correct prevailing wage rate, in accordance with Labor Code sections 1775, 1776, 1777.7, and 1813.

4. Certified Payroll Records

Pursuant to Labor Code section 1776, contractors and subcontractors are required to keep accurate payroll records which reflect the name, address, social security number, and work classification of each employee; the straight time and overtime hours worked each day and each week; the fringe benefits; and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee hired in connection with a public works project.

Employee payroll records shall be certified and shall be made available for inspection at all reasonable hours at the principal office of the contractor/subcontractor, or shall be furnished to any employee, or to his or her authorized representative on request.

Contractors and subcontractors shall maintain their certified payrolls on a weekly basis and shall submit said payrolls weekly to the LCO. In the event that there has been no work performed during a given week, the certified payroll record shall be annotated "No Work" for that week.

5. Nondiscrimination in Employment

Prohibitions against employment discrimination are contained in Labor Code sections 1735 and 1777.6; the Government Code; the Public Contracts Code; and Title VII of the Civil Rights Act of 1964, as amended.

6. Kickback Prohibited

Pursuant to Labor Code section 1778, contractors and subcontractors are prohibited from accepting, taking wages illegally, or extracting "kickback" from employee wages.

7. Acceptance of Fees Prohibited

Contractors and subcontractors are prohibited from exacting any type of fee for registering individuals for public work (Labor Code section 1779); or for filling work orders on public works contracts (Labor Code section 1780).

8. Listing of Subcontractors

Contractors are required to list all subcontractors hired to perform work on a public works project when that work is equivalent to more than one-half of one percent of the total effort (Public Contract Code section 4104.).

9. Proper Licensing

Contractors and subcontractors are required to be properly licensed. Penalties will be imposed for employing workers while unlicensed (Labor Code section 1021 and Business and Professions Code section 7000, et seq. under California Contractors License Law).

AUDIT RECORD FORM
(For Use with Section 16432 of Title 8 of the
California Code of Regulations)

An audit record is sufficiently detailed to “verify compliance with the requirements of Chapter 1, Public Works, Part 7 of Division 2,” when the audit record displays that the following procedures have been followed:

1. Audit of the obligation to carry workers’ compensation insurance means producing written evidence of a binder issued by the carrier, or telephone or written inquiry to the Workers’ Compensation Insurance Rating Bureau;

2. Audit of the obligation to employ and train apprentices means inquiry to the program sponsor for the apprenticeable craft or trade in the area of the public work as to: whether contract award information was received, including an estimate of journey person hours to be performed and the number of apprentices to be employed; whether apprentices have been requested, and whether the request has been met; whether the program sponsor knows of any amounts received from the contractor or subcontractor for the training fund or the California Apprenticeship Council; and whether persons listed on the certified payroll in that craft or trade being paid less than the journey person rate are apprentices registered with that program and working under apprentice agreements approved by the Division of Apprenticeship Standards;

3. Audit of the obligation to pass through amounts, made part of the bid, for apprenticeship training contributions to either the training trust or the California Apprenticeship Council, means asking for copies of checks remitted, or when the audit occurs more than thirty (30) days after the month in which payroll has been paid and copies of canceled checks remitted;

4. Audit of “illegal taking of wages” means inspection of written authorizations for deductions (as listed in Labor Code section 224) in the contractor’s files and comparison to wage deduction statements furnished to employees (Labor Code section 226), together with an interview of several employees as to any payments made which are not reflected on the wage deduction statements;

5. Audit of the obligation to keep records of working hours (8 CCR section 16432), and pay not less than required for hours worked in excess of eight (8) hours/day and forty (40) hours/week (8 CCR section 16200(a)(3)(F)), means review and audit of weekly certified payroll records;

6. Audit of the obligation to pay the prevailing per diem wage means review and audit of weekly-certified payroll records for compliance with:

a. All elements defined as the General Prevailing Rate of Per Diem Wages in Section 16000 et seq. of Title 8 of the California Code of Regulations, which were determined to be prevailing in the Director's determination in effect on the date of the call for bids, or as reflected in any subsequent revised determination issued by the Director's office, copies of which are available at the LCO's office and posted at the public works job site;

b. All elements defined as Employer Payments to Workers set forth in Section 16000 et. seq. of Title 8 of the California Code of Regulations, which were determined to be prevailing in the Director's determination in effect on the date of the call for bids, or as reflected in any subsequent revised determination issued by the Director's office, copies of which are available at the LCO's office and posted at the public works job site.

PREVAILING WAGE DETERMINATION SUMMARY

CODE NO.	CLASSIFICATION	Effective Date	HOURLY RATE	Contributions	TRAINING	TIME 1/2	HOLIDAY / TRAVEL & SUNDAY	SUBSISTENCE	Other hourly Requirements
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									

WAGE DETERMINATION INFORMATION

CODE NO.	CLASSIFICATION	WAGE DETERMINATION NO.
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

TO:	TO:
Date:	In Reply Refer to Case No.:

Notice of Withholding of Contract Payments

Awarding Body	Work Performed in County of
Project Name	Contract No. / Project No.
Prime Contractor	
Subcontractor	

After an investigation concerning the payment of wages to workers employed in the execution of the contract for the above-named public works project, the Labor Compliance Program of the CITY has determined that the contractor and/or subcontractor identified above has committed violations of the California Labor Code. In accordance with Labor Code sections 1771.5 and 1771.6, the CITY hereby issue this Notice of Withholding of Contract Payments.

The nature of the violations of the Labor Code and the basis for the assessment are as follows:

- Failure to pay its workers the applicable prevailing wage rates

The CITY LCO has determined that

- | | |
|---|----------------|
| 1) the total amount of wages due is: | \$ 0.00 |
| 2) the total amount of penalties assessed under Labor Code sections 1775 and 1813 is: | \$ 0.00 |
| 3) the amount of penalties assessed under Labor Code section 1776 is: | \$ 0.00 |
| 4) TOTAL WITHHOLD: | \$ 0.00 |

THE CITY
LABOR COMPLIANCE PROGRAM

By: _____
(Name, Title)

Notice of Right to Obtain Review - Formal Hearing

In accordance with Labor Code sections 1742 and 1771.6, an affected contractor or subcontractor may obtain review of this Notice of Withholding of Contract Payments by transmitting a written request to the office of the Labor Compliance Program within 60 days after service of the notice. **To obtain a hearing, a written Request for Review form must be transmitted to the following address:** The CITY, 720 South Street, Susanville, CA 96130. A Request for Review shall clearly identify the Notice of Withholding of Contract Payments from which review is sought, including the date of the notice (a copy of the notice shall be included as an attachment), and shall also set forth the basis upon which the notice is being contested.

Failure by a contractor or subcontractor to submit a timely Request for Review will result in a final order that shall be binding on the contractor and subcontractor, and which shall also be binding, with respect to the amount due, on a bonding company issuing a bond that secures the payment of wages and a surety, Labor Code Section 1743.

The CITY's Labor Compliance Manager shall acknowledge receipt of the Request for Review by sending the contractor and/or subcontractor a Notice of Opportunity to Review Evidence letter. The contractor and/or subcontractor must transmit the Request to Review Evidence letter to the Labor Compliance Manager. In accordance with Labor Code section 1742, the contractor or subcontractor shall be provided an opportunity to review evidence to be utilized by the CITY's Labor Compliance Manager at the hearing within 20 days of the CITY receipt of the written Request for Review.

In accordance with Labor Code section 1742(d), a certified copy of a final order may be filed by the Labor Commissioner in the office of the clerk of the superior court in any County in which the affected contractor or subcontractor has property or has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the State against the person assessed in the amount shown on the certified order.

Opportunity for Settlement Meeting

In accordance with Labor Code Section 1742.1 (b), the CITY Labor Compliance Manager shall, upon receipt of a request from the affected contractor or subcontractor within 30 days following the service of the Notice of Withholding of Contract Payments, afford the contractor or subcontractor the opportunity to meet with the Labor Compliance Program's designee **to attempt to settle a dispute regarding the notice**. The settlement meeting may be held in person or by telephone and shall take place before the expiration of the 60-day period for seeking a hearing as set forth above under the heading Notice of Right to Obtain Review. No evidence of anything said or any admission made for the purpose of, in the course of, or pursuant to, the settlement meeting is admissible or subject to discovery in any administrative or civil proceeding. No writing prepared for the purpose of, in the course of, or pursuant to, the settlement meeting, other than a final settlement agreement, is admissible or subject to discovery in any administrative or civil proceeding. This opportunity to timely request an informal settlement meeting is **in addition** to the right to obtain a formal hearing, and a settlement meeting may be requested even if a written **Request for Review** has already been made. Requesting a settlement meeting, however, does not extend the 60-day period during which a formal hearing may be requested. A written request to meet with the Labor Compliance Program's designee to attempt to settle a dispute regarding this notice must be transmitted to the address in the first paragraph, above.

Labor Compliance Liquidated Damages

In accordance with Labor Code section 1742.1 and/or by contract, after 60 days following the service of the Notice of Withholding of Contract Payments, the affected contractor, subcontractor, performance bond surety, and surety on a bond or bonds issued to secure the payment of wages covered by the notice shall be liable for labor compliance liquidated damages in an amount equal to the wages, or portion thereof that still remain unpaid. If the notice subsequently is overturned or modified after administrative or judicial review, labor compliance liquidated damages shall be payable only on the wages found to be due and unpaid. If the contractor/subcontractor demonstrates to the satisfaction of the Director of the Department of Industrial Relations that he or she had substantial grounds for believing the assessment or notice to be an error, the Director shall waive payment of the liquidated damages.

The amount of Labor Compliance Liquidated Damages available under this notice is \$0.00

[Name and Contact Information for person issuing Notice]	
Date:	Case or Contract No.:

NOTICE OF TEMPORARY WITHHOLDING OF CONTRACT PAYMENTS DUE TO DELINQUENT OR INADEQUATE PAYROLL RECORDS (8 CCR §16435)

Awarding Body:	Work performed in the County of:
Project Name and Number (if any):	
Prime Contractor:	
Subcontractor:	

Pursuant to Labor Code §1771.5(b)(5) and 8 CCR §16435, contract payments are being withheld due to delinquent or inadequate payroll records.

Contractor or subcontractor whose payroll records are delinquent or inadequate:

The following payroll records are delinquent (specify weeks and due dates):

The following payroll records are inadequate (specify weeks and ways in which records are deemed inadequate under 8 CCR §16435(d)):

Estimated amount of contract payments due to contractor or subcontractor that are being withheld pursuant to this Notice: _____

See page 2 for additional information, including appeal rights.

Labor Compliance Officer

Prime Contractor Obligations: If contract payments are being withheld due to the delinquency or inadequacy of your subcontractor's payroll records, you are required to cease all payments to that subcontractor until the Labor Compliance Program provides notice that the subcontractor has cured the delinquency or deficiency.

Notice of Right to Obtain Review – Expedited Hearing

An affected contractor or subcontractor may request review an expedited hearing to review this Notice of Withholding of Contract Payments under Labor Code §1742. *The only issue in any such review proceeding is whether the specified payroll records are in fact delinquent or inadequate within the meaning of 8 CCR §16435 or whether the Labor Compliance Program has exceeded its authority under 8 CCR §16435.* **To obtain an expedited hearing, a written request must be transmitted to the both the Labor Compliance Program and to the Lead Hearing Officer for the Director of the Department of Industrial Relations, as follows:**

[Name of Labor Compliance Officer,
address, and fax number]

Office of the Director – Legal Unit
Attention: Lead Hearing Officer
Expedited Hearing Request
Fax to: (415) 703-4277

The request for expedited hearing should specify the basis for challenging this Notice and include a copy of this Notice as an attachment. The request should also identify and provide contact information for the person who will represent the contractor or subcontractor at the hearing.

Important Additional Information: This is a Notice of Temporary Withholding of Contract Payments for Delinquent or Inadequate Payroll Records *only*. This is *not* a determination of liability for wages or penalties under Labor Code §§1775 and 1776 or any other statute. *Contract payments cannot continue to be withheld pursuant to this notice, once the required records have been produced.* However, the contractor and subcontractor may still be subject to the assessment of back wages and penalties and the withholding of contract payments if, upon investigation, a determination is made that the contractor or subcontractor violated the public works requirements of the Labor Code.

This Notice only addresses rights and responsibilities under state law. Awarding bodies, labor compliance programs, and contractors may have other rights or responsibilities under federal or local law, where applicable, and may also have additional rights or remedies under the public works contract.

Enclosure – text of 8 CCR §16435

§16435. Withholding Contract Payments When Payroll Records are Delinquent or Inadequate.

(a) *"Withhold" means to cease payments by the Awarding Body, or others who pay on its behalf, or agents, to the general contractor. Where the violation is by a subcontractor, the general contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code Section 1729.*

(b) *"Contracts." Except as otherwise provided by agreement, only contracts under a single master contract, including a Design-Build contract, or contracts entered into as stages of a single project, may be the subject of withholding.*

(c) *"Delinquent payroll records" means those not submitted on the date set in the contract.*

(d) *"Inadequate payroll records" are any one of the following:*

(1) *A record lacking any of the information required by Labor Code Section 1776;*

(2) *A record which contains all of the required information but is not certified, or is certified by someone who is not an agent of the contractor or subcontractor;*

(3) A record remaining uncorrected for one payroll period after the Labor Compliance Program has given the contractor or subcontractor notice of inaccuracies detected by audit or record review. However, prompt correction will stop any duty to withhold if such inaccuracies do not amount to one (1) percent of the entire Certified Weekly Payroll in dollar value and do not affect more than half the persons listed as workers employed on that Certified Weekly Payroll, as defined in Labor Code Section 1776 and section 16401 of Title 8 of the California Code of Regulations.

(e) The withholding of contract payments when payroll records are delinquent or inadequate is required by Labor Code Section 1771.5(b)(5), and it does not require the prior approval of the Labor Commissioner. The Awarding Body shall only withhold those payments due or estimated to be due to the contractor or subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the Labor Compliance Program has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the contractor or subcontractor whose payroll records are delinquent or inadequate; *provided that* a contractor shall be required in turn to cease all payments to a subcontractor whose payroll records are delinquent or inadequate until the Labor Compliance Program provides notice that the subcontractor has cured the delinquency or deficiency.

(f) When contract payments are withheld under this section, the Labor Compliance Program shall provide the contractor and subcontractor, if applicable, with immediate written notice that includes all of the following: (1) a statement that payments are being withheld due to delinquent or inadequate payroll records, and that identifies what records are missing or states why records that have been submitted are deemed inadequate; (2) specifies the amount being withheld; and (3) informs the contractor or subcontractor of the right to request an expedited hearing to review the withholding of contract payments under Labor Code Section 1742, limited to the issue of whether the records are delinquent or inadequate or the Labor Compliance Program has exceeded its authority under this section.

(g) No contract payments shall be withheld solely on the basis of delinquent or inadequate payroll records after the required records have been produced.

(h) In addition to withholding contract payments based on delinquent or inadequate payroll records, penalties shall be assessed under Labor Code Section 1776(g) for failure to timely comply with a written request for certified payroll records. The assessment of penalties under Labor Code Section 1776(g) does require the prior approval of the Labor Commissioner under section 16436 of these regulations.

LABOR COMPLIANCE PROGRAM <hr/> Review Office - Notice of Withholding of Contract Payments <hr/> <hr/> <hr/> Phone: Fax:	(SEAL)
Date:	In Reply Refer to Case No :

Notice of Transmittal

To: Department of Industrial Relations
Office of the Director-Legal Unit
Attention: Lead Hearing Officer
P. O. Box 420603
San Francisco, CA 94142-0603

Enclosed herewith please find a Request for Review, dated _____, postmarked
_____, and received by this office on _____.

Also enclosed please find the following:

- ___ Copy of Notice of Withholding of Contract Payments
- ___ Copy of Audit Summary

LABOR COMPLIANCE PROGRAM

By: _____

cc: Prime Contractor
Subcontractor
Bonding Company

Please be advised that the Request for Review identified above has been received and transmitted to the address indicated. Please be further advised that the governing procedures applicable to these hearings are set forth at Title 8, California Code of Regulations sections 17201-17270. These hearings are not governed by Chapter 5 of the Government Code, commencing with section 11500.

(c) The evidence required to be provided under this Rule shall include the identity of witnesses whose testimony the Enforcing Agency intends to present, either in person at the hearing or by declaration or affidavit. This provision shall not be construed as requiring the Enforcing Agency to prepare or provide any separate listing of witnesses whose identities are disclosed within the written materials made available under subpart (a).

(d) The Enforcing Agency shall make evidence available for review as specified in subparts (a) through (c) within 20 days of its receipt of the Request for Review; *provided that*, this deadline may be extended by written request or agreement of the affected contractor or subcontractor. The Enforcing Agency's failure to make evidence available for review as required by Labor Code section 1742(b) and this Rule, shall preclude the enforcing agency from introducing such evidence in proceedings before the Hearing officer or the Director.

(e) This Rule shall not preclude the Enforcing Agency from relying upon or presenting any evidence first obtained after the initial disclosure of evidence under subparts (a) through (d), *provided that*, such evidence is promptly disclosed to the affected contractor or subcontractor. This Rule also shall not preclude the Enforcing Agency from presenting previously undisclosed evidence to rebut new or collateral claims raised by another party in the proceeding.

In accordance with the above Rule, please be advised that the Labor Compliance Program's procedure for you to exercise your opportunity to review evidence is as follows:

Within five calendar days of the date of this notice, please transmit the attached Request to Review Evidence to the following address:

[Insert Agency Name]
[Insert Address]

Attention: [Insert Labor Compliance Officer's Name]

TO: OBMMWC	FROM: CONTRACTOR
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Request to Review Evidence

To: [Insert Labor Compliance Officer's Name]
[Insert Name]
[Insert Address]

From: [Contractor/Subcontractor Name]
[Contractor/Subcontractor Address]

Regarding Notice of Withholding of Contract Payments dated _____

Our Case No. _____

The undersigned hereby requests an opportunity to review evidence to be utilized by the Labor Compliance Program at the hearing on the Request for Review.

Phone No.: _____
Fax No.: _____

Project Information

FORM Form Type: PWC-100 Project Award Date:

AWARDING BODY INFORMATION

Name: Primary Contact:
Address: Primary Email:
Work Phone:

PROJECT INFORMATION

Project Name: Project #:
Brief Description: Contract #:
Contract Amount: Number of Prime Contractors:
Total Project Cost:
Alternative Model:
Physical Address: Billing Address:

Project Information 2

PWC-100 Project Name: Project #: Contract #: Status:

PROJECT INFORMATION

Project Dates
First Advertised Bid: Estimated or Actual Start:
Estimated or Actual Completion:

State Statutes
State Bond Source
Estimated Bond Amount

Request for DIR/CMU Monitoring and Enforcement in order to qualify in the future for state bond funding for this project: No

Compliance and Agreements:

Is language included in the Contract Award to effectuate the requirements of Section 171, 1774 - 1776, 1777.5, 1813 and 1815 of the Labor Code? Yes
Will you operate a DIR-Approved Labor Compliance Program(LCP) for this project? No
Is there a Project Labor Agreement (PLA) associated with this project? No

Contractor Information

Project Superintendent/Construction Manager:

Email Address Name Title Work Phone

Project Manager

Email Address Name Title Work Phone

General Contractor 1

CSLB/Contractor Number	NAME	Address	Email	Classification

SECTION V

IMPLEMENTATION PLAN

1. LCO shall receive all construction contract work schedules.
2. LCO shall participate in Job-Start (Pre-Construction) meeting.
3. LCO shall provide site monitors with work schedules.
4. Site monitors, both CITY employees and others, shall conduct site interviews and return interview sheets to LCO.
5. LCO shall enter information from interviews into database.
6. LCO shall Review (Review and Confirm are defined in the LCP Manual) certified payroll records from contractor and Confirm information from certified payroll records, or upon receipt of a request or complaint from a worker or other interested person.
7. When payroll records are found to be delinquent or inadequate, LCO shall issue a Notice of Temporary Withholding of Contract Payments Due to Delinquent or Inadequate Payroll Records immediately. **(see Attachment D attached hereto)**
8. When violation is found, a formal Notice of Withholding of Contract Payment is issued. **(see Attachment C attached hereto)**
9. Upon completion of an the Audit, a report shall be sent to the Department of Industrial Relations with recommendations for penalties to be applied to the contractor.
8. LCO shall prepare and submit public works violation reports, such as reports of willful violations or notice of withholding of contract payments, to the Labor Commissioner as required.
9. LCO shall periodically communicate with contractors, workers, building and trade organizations, and other community entities and provide in-service management to CITY personnel.
10. LCO shall retain prevailing wage records, documentation of Reviews, Audits, and all communication with the Labor Commissioner.
11. LCO shall prepare an Annual Report and submit to the CITY Board , and the Director of the Department of Industrial Relations..

SECTION VI

OPERATION MANUAL

A. SITE VISITATIONS

Representatives of the CITY's Labor Compliance Program shall conduct in-person inspections at the site or sites at which the contract for public work is being performed ("On-Site Visits"). On-Site Visits will be undertaken randomly or as deemed necessary by the CITY's Labor Compliance Program, but shall be undertaken during each week that workers are present at sites at which the contract for public work is being performed. All On-Site Visits shall include visual inspection of (1) the copy of the determination(s) of the Director of Industrial Relations of the prevailing wage rate of per diem wages required to be posted at each job site in compliance with Labor Code Section 1773.2, and (2) the Notice of Labor Compliance Program Approval required to be posted at the job site in accordance with California Code of Regulations section 16429, listing a telephone number to call for inquiries, questions, or assistance with regard to the Labor Compliance Program. On-Site Visits may include other activities deemed necessary by the CITY's Labor Compliance Program to independently corroborate prevailing wage payments reported on payroll records furnished by contractors and subcontractors.

1. Safety is the paramount factor for any site visit to any CITY construction projects. Do not enter any area that appears unsafe. Site monitors are expected to exercise reasonable caution at all times.

2. All authorized personnel visiting any CITY construction site are required to be properly identified as a CITY representative by wearing visible picture ID's (badge), or identifying themselves as such. Additionally, all authorized personnel are required to follow safety requirements of the construction site.

3. Authorized personnel shall visit all sites on a non-interference basis and take a minimum amount of the workers' time for interview purposes.

4. Upon arrival at a site, the site monitor will check in at the site superintendent's (contractor's) trailer prior to any interviewing. In the event there is not a construction trailer, you will check in at the site's administrative office. Identify yourself and state the purpose of the visit. Sign in if required to do so. If the site superintendent cites some reason that denies access to the site, promptly and politely remove yourself. Make a note of this occurrence and report to the LCO.

5. Check to see that the following are displayed in the contractor's trailer:

Prevailing wage sheets posted
Sign-in Log (if such log is required of contractor)
Listing of subcontractors on site

If any of these items are not readily visible, remind the contractor that these postings are part of the contractual requirements. On subsequent visits, make sure that these items are posted, or the contractor will be found to be in noncompliance.

6. There will be times when the site superintendent is somewhere on the site and/or there is no contractor present in the trailer. In that situation, you should check in at the project trailer. The project manager and or project superintendent will also be able to tell you which contractors are on the site at that time. If all trailers are empty or locked, try to locate the site project manager or superintendent on the site prior to commencing interviewing.

B. INTERVIEWING

1. Once you have checked in with the site superintendent and obtain access to the site, try to locate tradespersons working in clusters. For instance, several painters, electricians, roofers, etc. working in one area. Approach the workers individually in a non-threatening, professional manner. Identify yourself, indicate that you are a CITY representative, and that you need only a few seconds of their time to ask some very generic questions to ensure that they are receiving the proper rate of pay for the type of work they are doing. Again, do not endanger yours or any tradesperson's safety in conducting these interviews. Do not insist that someone on a scaffold come down for an interview. Do not ask anyone to form a line until you can get to them; allow them to continue working until you can get to them individually.

Any persons missed are usually picked up on the next visit. If only one tradesperson is at the site, then interview that person if possible. If you are told that the rest of the crew will be there in an hour, do not wait, unless your total site interviewing will take that length of time. Thirty minutes of interviewing per site is typically sufficient, depending upon the site size and/or number of subcontractors present. Contractor tradesperson should also be interviewed.

Confirmation of payroll records may be accomplished by interviewing workers. For each month in which a contractor or subcontractor reports having workers employed on the public work, confirmation of furnished payroll records shall be undertaken randomly for at least one (1) worker for at least one (1) weekly period with that month.

2. Using the Labor Compliance Site Visitation Interview form (**attached hereto as Form 9**), ask each person the following: name, social security number, employer, title (trade), rate of pay, and task being performed at the time of interview.

3. Should someone decline to speak with you, respect those wishes. If someone asks if this is union-related, tell them no. The CITY works with both open and closed shop trades.

4. If you try to interview someone who does not speak English and you cannot communicate in the appropriate language, try to locate a coworker who can interpret for you. If you find an entire crew unable to speak English and no interpreter, include this in your report to the LCO.

5. If someone refuses to disclose his social security number to you, respect those wishes. However, assure that person that all information given is kept strictly confidential.

6. If someone does not know their rate of pay (most tradespersons don't know), ask for a guesstimate. If the response is, "whatever prevailing wage is", so indicate on the form.

7. If someone indicates that he is an apprentice, make sure that you ask him what period. These can be anywhere from 1st to 10th. If he's not sure, ask him how many years he has been apprenticed in the specific trade and/or to guesstimate and so indicate on the interview form.

8. ALWAYS thank them for their time.

9. Keep in mind that you are there to collect information only; do not tell them how to do their jobs. Should you witness what you consider a potentially unsafe or unwarranted condition, you are to contact the site inspector or job superintendent of your findings immediately and make a note on your site visitation log of what you observed. Upon your return to the office, report your findings to the LCO.

C. REPORTING

All original interview forms shall be timely submitted to the LCO.

SECTION VII
PROCEDURES

A. CERTIFIED PAYROLL VERIFICATION PROCEDURES FOR THE CITY

1. All construction work schedules shall be provided to the LCO.
2. Upon receipt of certified payroll reports from general/subcontractors once a week, compare information from the Labor Compliance Visitation Log (attached hereto as **Form 10**) to the contractors certified payroll and the prevailing wage schedule.
3. Compare name and social security number with trade classification listed.
4. Ensure prevailing wage listed is correct for the classification listed using the prevailing wage schedule.
5. Check for employment of apprentices, correct rate of pay, and proper ratio to journey workers.
6. Should certified payroll be delinquent or inadequate, issue a Notice of Temporary Withholding of Contract Payments Due to Delinquent or Inadequate Payroll Records (8 CCR 16435) (**attached hereto as Attachment D**).
7. In addition to withholding contract payments based on delinquent or inadequate payroll records, penalties shall be assessed under Labor Code Section 1776 (g) for failure to timely comply with a written request for certified payroll records. The assessment will be sent to the Department of Industrial Relations for approval.
8. Retain all original interview forms and annotate the database as applicable.

B. SITE MONITOR PROCEDURES

1. Receive construction site work schedule from LCO.
2. Schedule the interviews to allow worker interviews in accordance with the confirmation procedures established in the LCP Manual. For each month in which a contractor or subcontractor reports having workers employed on the public work, confirmation of furnished payroll records shall be undertaken randomly for at least one (1) worker for at least one (1) weekly period with that month.
3. Check in with site administrative office/site superintendent.
4. Utilizing the Labor Compliance Site Visitation Interview form (**attached hereto as Form 9**), conduct interviews with workers.

5. Note on your form any infractions you may observe while conducting the interview.
6. Return interview form to the LCO.
7. Report any infractions you observed to the LCO.

SECTION VIII
FORMS

PREVAILING WAGE CONTRACTOR INFORMATION HANDOUT

THE PUBLIC WORKS REQUIREMENTS ARE:

- (1) The contractor's duty to pay prevailing wages under Labor Code Section 1770 et seq., should the project exceed the exemption amounts;
- (2) The contractor's duty to employ registered apprentices on the public works project under Labor Code Section 1777.5;
- (3) The penalties for failure to pay prevailing wages (for non-exempt projects) and employ apprentices including forfeitures and debarment under Labor Code Sections 1775 and 1777.7;
- (4) The requirement to keep and submit copies upon request of certified payroll records under Labor Code Section 1776, and penalties for failure to do so under Labor Code Section 1776(g);
- (5) The prohibition against employment discrimination under Labor Code Section 1777.6; the Government Code, and Title VII of the Civil Rights Act of 1964;
- (6) The prohibition against accepting or extracting kickback from employee wages under Labor Code Section 1778;
- (7) The prohibition against accepting fees for registering any person for public work under Labor Code Section 1779; or for filling work orders on public works under Labor Code Section 1780;
- (8) The requirement to list all subcontractors under Public Contracts Code Section 4104;
- (9) The requirement to be properly licensed and to require all subcontractors to be properly licensed and the penalty for employing workers while unlicensed under Labor Code Section 1021 and under the California Contractors License Law, found at Business and Professions Code Section 7000 et seq.;
- (10) The prohibition against unfair competition under Business and Professions Code Sections 17200-17208;
- (11) The requirement that the contractor be properly insured for Workers Compensation under Labor Code Section 1861;
- (12) The requirement that the contractor abide by the Occupational, Safety and Health laws and regulations that apply to the particular construction project;
- (13) The federal prohibition against hiring undocumented workers, and the requirement to secure proof of eligibility/citizenship from all workers.
- (14) The requirement to provide itemized wage statements to employees under Labor Code Section 226.

THE AWARDING BODY SHALL: IN ACCORDANCE WITH CCR 16421

- (1) The Call for Bids, Design-Build Request, and the contract or purchase order shall contain appropriate language concerning the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code.
- (2) A prejob conference shall be conducted before commencement of the work with contractors and subcontractors listed in the bid or who are required to be identified or prequalified in a Design-Build Contract. At the prejob conference applicable federal and state labor law requirements shall be discussed, and copies of suggested reporting forms furnished. A checklist, showing which federal and state labor law requirements were discussed, shall be kept for each conference. A checklist in the format of Appendix A presumptively meets this requirement.
- (3) A requirement that certified payroll records be kept by the contractor in accordance with Labor Code Section 1776 and furnished to the Labor Compliance Program at times designated in the contract, which shall be at least monthly, or within 10 days of any request by the Awarding Body. Use of the current version of DIR's "Public Works Payroll Reporting Form" (A-1-131) and Statement of Employer Payments (PW26) constitute presumptive compliance with the requirement for certified payroll records kept in accordance with Labor Code Section 1776,

provided the forms are filled out accurately and completely. These suggested forms are available from the Department of Industrial Relations.

(4) A program for orderly review of payroll records and, if necessary, for audits to verify compliance with the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(5) A prescribed routine for withholding penalties, forfeitures, and underpayment of wages for violations of the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(6) All contracts to which prevailing wage requirements apply shall include a provision that contract payments shall not be made when payroll records are delinquent or inadequate.

(b) To the extent otherwise authorized by law, an Awarding Body or a Joint Powers Authority consisting of two or more Awarding Bodies may contract with a third party to initiate and enforce all or part of its Labor Compliance Program, provided that the third party has been approved by the Director to operate a Labor Compliance Program in accordance with these regulations. However, this subpart (b) shall not be construed as limiting an Awarding Body's or Joint Powers Authority's authority to contract for services for the operation of its own approved Labor Compliance Program, including services by persons licensed or certified by the State of California to practice one of the following recognized professions: law, architecture, engineering, or accounting.

(c) [reserved]

(d) Nothing in this section or these regulations shall be construed as limiting the responsibility and authority of an Awarding Body to take cognizance of prevailing wage violations under Section 1726 of the Labor Code and take any appropriate action pursuant to and in accordance with that responsibility and authority.

(e) It is the responsibility of a Labor Compliance Program to enforce prevailing wage requirements, consistent with the policy of the state as expressed in Labor Code Section 90.5(a). A Labor Compliance Program shall take reasonable, vigorous, and prompt action to (1) determine whether violations exist, and (2) enforce compliance, including through imposition of appropriate penalties and formal enforcement action, when violations are found. A Labor Compliance Program shall neither avoid use of its enforcement authority based on cost considerations nor shall it use that authority in an unreasonable manner to gain leverage over a contractor or subcontractor. Unreasonable use of enforcement authority includes, but is not necessarily limited to, prolonged or excessive withholdings of contract payments without making a determination that a violation has occurred.

(f) The failure of an Awarding Body or Labor Compliance Program to comply with any requirement imposed by this subchapter shall not of itself constitute a defense to the failure to pay prevailing wages or to comply with any other obligation imposed by Chapter 1 (commencing with Section 1720), Part 7, Division 2 of the Labor Code.

**THE LABOR COMPLIANCE PROGRAM SHALL:
IN ACCORDANCE WITH CCR 16434**

(a) A Labor Compliance Program shall have a duty to the Director to enforce the requirements of Chapter 1 of Part 7 of Division 2 of the Labor Code and these regulations in a manner consistent with the practice of the Labor Commissioner. It is the practice of the Labor Commissioner to refer to the Director's ongoing advisory service of web-posted public works coverage determinations as a source of information and guidance in making enforcement decisions. It is also the practice of the Labor Commissioner to be represented by an attorney in prevailing wage hearings conducted pursuant to Labor Code Section 1742(b) and sections 17201-17270 of Title 8 of the California Code of Regulations.

(b) Upon receipt of a written complaint alleging that a contractor or subcontractor has failed to pay prevailing wages as required by the Labor Code, the Labor Compliance Program shall do all of the following:

(1) Within 15 days after receipt of the complaint, send a written acknowledgment to the complaining party that the complaint has been received and identifying the name, address, and telephone number of the investigator assigned to the complaint;

- (2) Within 15 days after receipt of the complaint, provide the affected contractor with the notice required under Labor Code section 1775(c) if the complaint is against a subcontractor;
- (3) Notify the complaining party in writing of the resolution of the complaint within ten days after the complaint has been resolved by the Labor Compliance Program;
- (4) Notify the complaining party in writing at least once every 30 days of the status of a complaint that has not been resolved by the Labor Compliance Program; and
- (5) Notify the complaining party in writing at least once every 90 days of the status of a complaint that has been resolved by the Labor Compliance Program but remains under review or in litigation before another entity.

(c) The duties of a Labor Compliance Program with respect to apprenticeship standards are as follows:

- (1) Either the Awarding Body or the Labor Compliance Program acting on its behalf shall (A) inform contractors and subcontractors bidding public works about apprenticeship requirements, (B) send copies of awards and notices of discrepancies to the Division of Apprenticeship Standards as required under Section 1773.3 of the Labor Code, and (C) refer complaints and promptly report suspected violations of apprenticeship requirements to the Division of Apprenticeship Standards.
- (2) The Labor Compliance Program shall be responsible for enforcing prevailing wage pay requirements for apprentices consistent with the practice of the Labor Commissioner, including (A) that any contributions required pursuant to Labor Code Section 1777.5(m) are paid to the appropriate entity, (B) that apprentices are paid no less than the prevailing apprentice rate, (C) that workers listed and paid as apprentices on the certified payroll records are duly registered as apprentices with the Division of Apprenticeship Standards, and (D) requiring that the regular prevailing wage rate be paid (i) to any worker who is not a duly registered apprentice and (ii) for all hours in excess of the maximum ratio permitted under Labor Code Section 1777.5(g), as determined at the conclusion of the employing contractor or subcontractor's work on the public works contract.

(d) For each public work project subject to a Labor Compliance Program's enforcement of prevailing wage requirements, a separate, written summary of labor compliance activities and relevant facts pertaining to that particular project shall be maintained. That summary shall demonstrate that reasonable and sufficient efforts have been made to enforce prevailing wage requirements consistent with the practice of the Labor Commissioner. Appendix C following this section provides a suggested format for tracking and monitoring enforcement activities. Compliance records for a project shall be retained until the later of (1) at least one year after the acceptance of the public work or five years after the cessation of all labor on a public work that has not been accepted, or (2) one year after a final decision or judgment in any litigation under Labor Code Section 1742. For purposes of this section, a written summary or report includes information maintained electronically, provided that the summary or report can be printed out in hard copy form or is in an electronic format that (1) can be transmitted by e-mail or compact disk and (2) would be acceptable for the filing of documents in a federal or state court of record within this state.

(e) The Labor Commissioner may provide, sponsor, or endorse training on how to enforce prevailing wage requirements, including but not necessarily limited to the subjects of (1) ascertaining prevailing wage requirements and rates from the OPRL, (2) monitoring and investigation under section 16432 above, (3) enforcement responsibilities under this section and sections 16435-16439 below, and (4) procedural requirements and responsibilities as an enforcing agency under Labor Code sections 1741-1743 and 1771.6 and sections 17201-17270 of Title 8 of the California Code of Regulations.

THE CONTRACTOR AND SUBCONTRACTOR SHALL:

- (1) Pay not less than the prevailing wage to all workers, as defined in CCR's section 16000(a), and as set forth in Labor Code sections 1771 and 1774;
- (2) Comply with the provisions of Labor Code sections 1773.5, 1775, and 1777.5 regarding public works job sites;
- (3) Provide workers' compensation coverage as set forth in Labor Code section 1861;

- (4) Comply with Labor Code sections 1778 and 1779 regarding receiving a portion of wages or acceptance of a fee;
- (5) Maintain and make available for inspection payroll records, as set forth in Labor Code section 1776;
- (6) Pay workers overtime pay, as set forth in Labor Code section 1815 or as provided in the collective bargaining agreement adopted by the Director as set forth in Section 16200(a)(3) of Title 8 of the California Code of Regulations; and
- (7) Comply with Section 16101 of these regulations regarding discrimination.
- (8) Be subject to provisions of Labor Code section 1777.7 which specifies the penalties imposed on a contractor who willfully fails to comply with provisions of Labor Code section 1777.5.
- (9) Comply with those requirements as specified in Labor Code sections 1810 and 1813.
- (10) Comply with other requirements imposed by law.

APPRENTICE TRAINING:

SEE LABOR CODE SECTION 1777.5 (e)

Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body.

Within sixty (60) days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for twelve (12) months.

APPRENTICE TRAINING CONTRIBUTION REQUIREMENTS:

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 4, 16200(G) Wage rates, training contributions and apprenticeship contributions.

Apprenticeship rates shall be determined by the Director of Industrial Relations using apprentice wage standards set forth in the collective bargaining agreement and/or approved by the California Apprenticeship Council. A contractor or subcontractor on a public works contract must pay training fund contributions or apprenticeship contributions in one of the following manners:

1. into the appropriate craft apprenticeship program in the area of the site of the public work; or
2. (if the trust fund is unable to accept such contributions) an equivalent amount shall be paid to the California Apprenticeship Council (CAC) administered by DAS.
3. If neither of the above will accept the funds, cash pay shall be as provided for in Section 16200(a)(3)(1) of Title 8 of the California Code of Regulations.

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 10, SECTION 230.2

§230.2. Payment of Apprenticeship Training Contributions to the Council:

(a) Contractors who are neither required nor wish to make apprenticeship training contributions to the applicable local training trust fund shall make their training contributions to the Council. Contractors may refer to the Director of the Department of Industrial Relations applicable prevailing wage determination for the amount owed for each hour of work performed by journeymen and apprentices in each apprenticeable occupation.

(b) Training contributions to the Council are due and payable on the 15th day of each month for work performed during the preceding month.

(c) Training contributions to the Council shall be paid by check and shall be accompanied by a completed CAC-2 Form, Training Fund Contributions, (Rev. 10/91), or the following information:

- (1) The name, address, and telephone number of the contractor making the contribution.
- (2) The contractor's license number.
- (3) The name and address of the public agency that awarded the contract.
- (4) The jobsite location, including the CITY where the work was performed.
- (5) The contract or project number.
- (6) The time period covered by the enclosed contributions.
- (7) The contribution rate and total hours worked by apprenticeable occupation.

CERTIFYING PERSON

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, GROUP 3, ARTICLE 1, 16000 DEFINITIONS.

A person with the authority to affirm under penalty of perjury that the records provided, depict truly, fully and correctly the type of work performed, the hours worked, days worked and amounts paid.

CHANGES TO PREVAILING RATE AFTER AWARD

SEE LABOR CODE SECTION: 1773.6

No effect once the contract notice to bidders is published.

1773.6. If during any quarterly period the Director of Industrial Relations shall determine that there has been a change in any prevailing rate of per diem wages in any locality he shall make such change available to the awarding body and his determination shall be final. Such determination by the Director of Industrial Relations shall not be effective as to any contract for which the notice to bidders has been published. Exceptions; classifications marked as a double asterisks.

CREDITS, FOR FRINGE BENEFIT PAYMENTS

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, GROUP 3, ARTICLE 4, 16200(i) Credit Available For Actual Payment of Fringe Benefit Costs up to the Prevailing Amount.

The contractor obligated to pay the full prevailing rate of per diem wages may take credit for amounts up to the total of all fringe benefit amounts listed as prevailing in the appropriate wage determination. This credit may be taken only as to amounts which are actual payments under Employer Payments Section 16000(1)-(3) of Title 8 of the California Code of Regulations. In the event the total of Employer Payments by a contractor for the fringe benefits listed as prevailing is less than the aggregate amount set out as prevailing in the wage determination, the contractor must pay the difference directly to the employee. No amount of credit for payments over the aggregate amount of employer payments shall be taken nor shall any credit decrease the amount of direct payment of hourly wages of those amounts found to be prevailing for straight time or overtime wages

THE RULE

The contractor can pay amounts for individual benefits different than the state shows in the wage reports so long as it is not more than the total amount permitted for all benefits. Any contractor paid amount less than the total benefit requirements listed in the state wage reports must be paid to the employee.

EMPLOYEE'S SUBJECT TO PREVAILING WAGES

SEE LABOR CODE SECTION 1771, 1772 & 1776 .

All workers on the project shall be paid the wage of the trade they are most closely related to.

1771. Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

1772. Workers employed by contractors or subcontractors in the execution of any contract for public work are deemed to be employed upon public work.

1776. (a) Each contractor and subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work.

EMPLOYER PAYMENTS

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 1, SECTION 16000 DEFINITIONS

- (1) The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person pursuant to a fund, plan, or program for the benefit of employees, their families and dependents, or retirees;
- (2) The rate of costs to the contractor or subcontractor which may be reasonably anticipated in providing benefits to employees, their families and dependents or to retirees pursuant to an enforceable commitment or agreement to carry out a financially responsible plan or program which was communicated in writing to the workers affected; and
- (3) The rate of contribution irrevocably made by the contractor or subcontractor for apprenticeship or other training programs authorized by Labor Code sections 3071 and/or 3093.

FRINGE BENEFIT PAYMENT REQUIREMENTS

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, GROUP 3, ARTICLE 1, 16000 DEFINITIONS

All fringe benefits must be irrevocably paid to an authorized fund or to the employee. No unpaid amounts are allowed.

FRINGE BENEFITS INCLUDE

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 1, SECTION 16000. DEFINITIONS

The prevailing rate of employer payments for any or all programs or benefits for employees, their families and dependents, and retirees which are of the types enumerated below:

- (A) medical and hospital care, prescription drugs, dental care, vision care, diagnostic services, and other health and welfare benefits;
- (B) retirement plan benefits;
- (C) vacations and holidays with pay, or cash payments in lieu thereof;
- (D) compensation for injuries or illnesses resulting from occupational activity;
- (E) life, accidental death and dismemberment, and disability or sickness and accident insurance;
- (F) supplemental unemployment benefits;
- (G) thrift, security savings, supplemental trust, and beneficial trust funds otherwise designated, provided all of the money except that used for reasonable administrative expenses is returned to the employees;

- (H) occupational health and safety research, safety training, monitoring job hazards, and the like, as specified in the applicable collective bargaining agreement;
- (I) See definition of "Employer Payments," (3).
- (J) other bonafide benefits for employees, their families and dependents, or retirees as the Director may determine; and

Travel time and subsistence pay as provided for in Labor Code section 1773.8.

FRINGE BENEFITS DO NOT INCLUDE

CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 1, SECTION 16000. DEFINITIONS

The term "general prevailing rate of per diem wages" does not include any employer payments for:

- (1) Job related expenses other than travel time and subsistence pay;
- (2) Contract administration, operation of hiring halls, grievance processing, or similar purposes except for those amounts specifically earmarked and actually used for administration of those types of employee or retiree benefit plans enumerated above;
- (3) Union, organizational, professional or other dues except as they may be included in and withheld from the basic taxable hourly wage rate;
- (4) Industry or trade promotion;
- (5) Political contributions or activities;
- (6) Any benefit for employees, their families and dependents, or retirees including any benefit enumerated above where the contractor or subcontractor is required by Federal, State, or local law to provide such benefit; or
- (7) Such other payments as the Director may determine to exclude. Interested Party. When used with reference to a particular prevailing wage determination made by the Director, includes:

PAYROLL RECORDS INCLUDE

CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 1, SECTION 16000. DEFINITIONS

All time cards, cancelled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other evidences which reflect job assignments, work schedules by days and hours, and the disbursement by way of cash, check, or in whatever form or manner, of funds to a person(s) by job classification and/or skill pursuant to a public works project.

PERSONS REQUIRED TO RECEIVE PREVAILING WAGES

SEE LABOR CODE SECTIONS:

1771. Prevailing wage shall be paid to all workers employed on public works.

1774. The contractor to whom the contract is awarded, and any subcontractor under him, shall pay not less than the specified prevailing rates of wages to all workmen employed in the execution of the contract.

WITHHOLDING CONTRACT PAYMENTS WHEN AFTER AN INVESTIGATION, IT IS ESTABLISHED THAT UNDERPAYMENT OR OTHER VIOLATION HAS OCCURRED IN ACCORDANCE WITH CCR 16435.5

(a) "Withhold" and "contracts" have the same meaning set forth in sections 16435(a) and 16435(b) of these regulations.

(b) Where the violation is by a subcontractor, the general contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code Section 1729.

(c) "Amount equal to the underpayment" is the total of the following determined by payroll review, audit, or admission of contractor or subcontractor:

(1) The difference between amounts paid workers and the correct General Prevailing Rate of Per Diem Wages, as defined in Labor Code Section 1773, and determined to be the prevailing rate due workers in such craft, classification or trade in which they were employed and the amounts paid;

(2) The difference between amounts paid on behalf of workers and the correct amounts of Employer Payments, as defined in Labor Code Section 1773.1 and determined to be part of the prevailing rate costs of contractors due for employment of workers in such craft, classification or trade in which they were employed and the amounts paid;

(3) Estimated amounts of "illegal taking of wages";

(4) Amounts of apprenticeship training contributions paid to neither the program sponsor's training trust nor the California Apprenticeship Council;

(5) Estimated penalties under Labor Code Sections 1775, 1776, and 1813.

(d) The withholding of contract payments when, after investigation, it is established that underpayment or other violations have occurred requires the prior approval of the Labor Commissioner under sections 16436 and 16437 of these regulations.

WITHHOLDING PAYMENTS, JUSTIFICATION

SEE LABOR CODE SECTION: 1727 & 1771.5(b),(5)

SEE CALIFORNIA CODE OF REGULATIONS: TITLE 8, ARTICLE 5, SECTION 16435 AN 16435.5

(a) "Withhold" means to cease payments by the awarding body, or others who pay on its behalf, or agents, to the general contractor. Where the violation is by a subcontractor, the general contractor shall be notified of the nature of the violation and reference made to its rights under Labor Code section 1729.

(b) "Contracts." Except as otherwise provided by agreement, only contracts under a single master contract, or contracts entered into as stages of a single project, may be the subject of withholding.

(c) "Delinquent payroll records" means those not submitted on the date set in the contract.

(d) "Inadequate payroll records" are any one of the following:

(1) A record lacking the information required by Labor Code section 1776; or

(2) A record which contains the required information but not certified, or certified by someone not an agent of the contractor or subcontractor; or

(3) A record remaining uncorrected for one payroll period, after the awarding body has given the contractor notice of inaccuracies detected by audit or record review. Provided, however, that prompt correction will stop any duty to withhold if such inaccuracies do not amount to 1 percent of the entire Certified Weekly Payroll in dollar value and do not affect more than half the persons listed as workers employed on that Certified Weekly Payroll, as defined in Labor Code Section 1776 and Section 16401 of Title 8 of the California Code of Regulations.

**FORFEITURES REQUIRING APPROVAL BY THE LABOR COMMISSIONER
IN ACCORDANCE WITH CCR 16436**

(a) For purposes of this section and section 16437 below, "forfeitures" means the amount of wages, penalties, and forfeitures assessed by the Labor Compliance Program and proposed to be withheld pursuant to Labor Code section 1771.6(a), and includes the following: (1) the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate by the contractor or subcontractor; and (2) penalties assessed under Labor Code Sections 1775, 1776 and 1813.

(b) If the aggregate amount of forfeitures assessed as to a contractor or subcontractor is less than \$1000.00, the forfeitures shall be deemed approved by the Labor Commissioner upon service and the Labor Commissioner's receipt of copies of the following: (1) the Notice of Withholding of Contract Payments authorized by Labor Code Section 1771.6(a); (2) an Audit as defined in section 16432(e) of these regulations, and (3) a brief narrative identifying the Bid Advertisement Date of the contract for public work and summarizing the nature of the violation, the basis of the underpayment, and the factors considered in determining the assessment of penalties, if any, under Labor Code Section 1775.

(c) For all other forfeitures, approval by the Labor Commissioner shall be requested and obtained in accordance with section 16437

COURT DECISIONS:

Standard Traffic Services v. Department of Transportation Shasta (case 132667): partners are due prevailing wages.

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF APPRENTICESHIP STANDARDS
28 CIVIC CENTER PLAZA, ROOM 525
SANTA ANA, CA 92701

TO ALL PUBLIC WORKS CONTRACTORS

The Division of Apprenticeship Standards wishes to bring to your attention your responsibilities under California Labor Code section 1777.5 Apprentices on Public Works. (Excerpts from California Labor Code relating to apprentices on public works. DAS-10 is attached).

Compliance with California Labor Code section 1777.5 requires all public works contractors and subcontractors to:

- Submit contract award information within 10 days of contract award, to the applicable Joint Apprenticeship Committee, which shall include an estimate of Journeymen hours to be performed under the contract, the number of apprentices to be employed, and the approximate dates the apprentices will be employed. This information may be submitted on the attached form DAS 140.
- Employ apprentices on the public work in a ratio to journeymen of no less than one hour of apprentices work for every five hours of labor performed by a journeyman.
- Pay the apprentice rate on public works projects only to those apprentices who are registered as defined in Labor Code section 3077.
- Contribute to the training fund in the amount identified in the Prevailing Wage Rate publication for journeymen and apprentices. Contractors who choose not to contribute to the local training trust fund must make their contribution to the California Apprenticeship Council (CAC) at P.O. Box 511283 Los Angeles, CA 90051-7838
- Training fund contributions to the CAC are due and payable on the 15th day of each month for work performed during the preceding month.
- Training fund contributions to the CAC shall be paid by check and shall be accompanied by a completed form CAC-2 (attached).

Failure to comply with the provisions of the Labor Code section 1777.5 may result in the loss of the right to bid on all public works projects for a period of one to three years and the imposition of a civil penalty of \$100.00 for each calendar day of noncompliance. Contractors should provide a copy of this material to each subcontractor.

If the Division of Apprenticeship Standards can be of assistance to you, please contact our office at (213) 576-7750

EXCERPTS FROM THE
CALIFORNIA LABOR CODE
RELATING TO APPRENTICES
ON PUBLIC WORKS

Chapter 1 of Division 2:
APPRENTICES ON PUBLIC WORKS

1773.3. An awarding agency whose public works contract falls within the jurisdiction of Section 1777.5 shall, within five days of the award, send a copy of the award to the Division of Apprenticeship Standards. When specifically requested by a local joint apprenticeship committee, the division shall notify the local joint apprenticeship committee regarding all such awards applicable to the joint apprenticeship committee making the request. Within five days of a finding of any discrepancy regarding the ratio of apprentices to journeymen, pursuant to the certificated fixed number of apprentices to journeymen, the awarding agency shall notify the Division of Apprenticeship Standards.

1776. (a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through

either the body awarding the contract, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal office of the contractor.

(c) The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated in a manner so as to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated.

(f) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, City and CITY, and shall, within five working days, provide a notice of a change of location and address.

(g) The contractor or subcontractor shall have 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(h) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(i) The director shall adopt rules consistent with the California Public Records Act, (Chapter 3.5 (commencing with Section 6250), Division 7, Title 1, Government Code) and the Information Practices Act of 1977, (Title 1.8 (commencing with Section 1798),

Part 4, Division 3, Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

(j) This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2003, deletes or extends that date.

1777.5. (a) Nothing in this chapter shall prevent the employment of properly registered apprentices upon public works.

(b) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either (1) the apprenticeship standards and apprentice agreements under which he or she is training or (2) the rules and regulations of the California Apprenticeship Council.

(d) When the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, approval or denial of the apprenticeship program shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that the program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program that can supply apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Division of Apprenticeship Standards, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section that has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of

apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Division of Apprenticeship Standards may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) When an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract. At the end of each fiscal year the California Apprenticeship Council shall make grants to each

apprenticeship program in proportion to the number of hours of training provided by the program for which the program did not receive contributions, weighted by the regular rate of contribution for the program. These grants shall be made from funds collected by the California Apprenticeship Council during the fiscal year pursuant to this subdivision from contractors that employed registered apprentices but did not contribute to an approved apprenticeship program. All these funds received during the fiscal year shall be distributed as grants.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000) or 20 working days.

(p) All decisions of an apprenticeship program under this section are subject to Section 3081.

1777.6. It shall be unlawful for an employer or a labor union to refuse to accept otherwise qualified employees as registered apprentices on any public works, on the ground of the race, religious creed, color, national origin, ancestry, sex, or age, except as provided in Section 3077, of such employee.

1777.7. (a) A contractor or subcontractor that knowingly violates Section 1777.5 shall forfeit as a civil penalty an amount not exceeding one hundred dollars (\$100) for each full calendar day of noncompliance. The amount of this penalty shall be based on consideration whether the violation was a good faith mistake due to inadvertence. A contractor or subcontractor that knowingly commits a second or subsequent violation of Section 1777.5 within a three-year period, where the noncompliance results in apprenticeship training not being provided as required by this chapter, shall forfeit as a civil penalty the sum of not more than three hundred dollars (\$300) for each full calendar day of noncompliance. Notwithstanding Section 1727, upon receipt of a determination that a civil penalty has been imposed, the awarding body shall withhold the amount of the civil penalty from contract progress payments then due or to become due

(b) (1) In the event a contractor or subcontractor is determined by the Administrator of Apprenticeship to have knowingly violated any provision of Section 1777.5, the Administrator shall deny to the contractor or subcontractor, both individually and in the name of the business entity under which the contractor or subcontractor is doing business, the right to bid on or

receive any public works contract for a period of up to one year for the first violation and for a period of up to three years for a second or subsequent violation. Each period of debarment shall run from the date the determination of noncompliance by the Administrator of Apprenticeship.

(2) An affected contractor or subcontractor may obtain a review of the debarment or civil penalty by transmitting a written request to the office of the Administrator within 30 days after service of the order of debarment or civil penalty. If the Administrator receives no request for review within 30 days after service, the order of debarment or civil penalty shall become final for the period authorized.

(3) Within 20 days of the timely receipt of a request for hearing, the Administrator shall provide the contractor or subcontractor the opportunity to review any evidence the Administrator may offer at the hearing. The Administrator shall also promptly disclose to the contractor or subcontractor any nonprivileged documents obtained after the 20-day time limit.

(4) Within 90 days of the timely receipt of the a request for hearing, a hearing shall be commenced before an impartial hearing officer designated by the Administrator and possessing the qualifications of an administrative law judge pursuant to Section 11502 of the Government Code. The contractor or subcontractor shall have the burden of showing compliance with Section 1777.5. The decision to debar shall be reviewed by a hearing officer or court only for abuse of discretion.

(5) Within 45 days of the conclusion of the hearing, the hearing officer shall issue a written decision affirming, modifying, or dismissing the debarment or civil penalty. The decision shall contain a notice of findings, findings, and an order. This decision shall be deemed the final decision of the Administrator and shall be served on all parties and the awarding body pursuant to Section 1013 of the Code of Civil Procedure by first-class mail at the last known address of the party on file with the Administrator. Within 15 days of issuance of the decision, the hearing officer may reconsider or modify the decision to correct an error, except that a clerical error may be corrected at any time.

(6) An affected contractor or subcontractor may obtain review of the final decision of the Administrator by filing a petition for a writ of mandate to the appropriate superior court pursuant to Section 1094.5 of the Code of Civil Procedure within 45 days after service of the final decision to debar or to assess a civil penalty. If no petition for a writ of mandate is filed within 45 days after service of the final decision, the order shall become final. If the petitioner claims that

the findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in light of the entire record.

(7) The Administrator may file a certified copy of a final order with the clerk of the superior court in any County in which the affected contractor or subcontractor has property or has or had a place of business.

(c) If a subcontractor is found to have violated Section 1777.5, the prime contractor of the project is not liable for any penalties under subdivision (a), unless the prime contractor had knowledge of the subcontractor's failure to comply with the provisions of Section 1777.5 or unless the prime contractor fails to comply with any of the following requirements:

(1) The contract executed between the contractor and the subcontractor or the performance of work on the public works project shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall continually monitor a subcontractor's use of apprentices required to be employed on the public works project pursuant to subdivision (d) of Section 1777.5, including, but not limited to, periodic review of the certified payroll of the subcontractor.

(3) Upon becoming aware of a failure of the subcontractor to employ the required number of apprentices, the contractor shall take corrective action, including, but not limited to, retaining funds due the subcontractor for work performed on the public works project until the failure is corrected.

(4) Prior to making the final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has employed the required number of apprentices on the public works project.

(d) In lieu of the penalty provided for in subdivision (a) or (b), the director may for a first-time violation and with the concurrence of the apprenticeship program, order the contractor or subcontractor to provide apprentice employment equivalent to the work hours that would have been provided for apprentices during the period of noncompliance.

(e) Any funds withheld by the awarding body pursuant to this section shall be deposited in the General Fund if the awarding body is a state entity, or in the equivalent fund of an awarding body if the awarding body is an entity other than the state.

(f) The interpretation and enforcement of Section 1777.5 and this section shall be in accordance with the rules and procedures of the California Apprenticeship Council.

Division of Apprenticeship Standards - APPRENTICES ON PUBLIC WORKS
SUMMARY OF REQUIREMENTS

Compliance with California Labor Code Section 1777.5 requires all public works contractors and subcontractors to:

- Submit contract award information to the applicable joint apprenticeship committee, including an estimate of the journeyman hours to be performed under the contract, the number of apprentices to be employed, and the approximate dates the apprentices will be employed.

The contract award information shall be in writing, and shall be provided to the applicable apprenticeship committee within 10 days of the date of the agreement or contract award, but in no event later than the first day in which the contractor has workers employed upon the public work. (California Code of Regulations, Title 8, Section 230.)

- Employ apprentices on the public work in a ratio to journeymen of no less than one hour of apprentice work for every five hours of labor performed by a journeyman.
- Contribute to the training fund in the amount identified in the Prevailing Wage Rate publication for journeymen and apprentices. Contractors who choose not to contribute to the local training trust fund must make their contributions to the California Apprenticeship Council, P.O. Box 511283, Los Angeles, CA 90051-7838. Training contributions to the Council are due and payable on the 15th of the month for work performed during the preceding month.

Training contributions to the Council shall be paid by check and shall be accompanied by a completed CAC2 form, Training Fund Contributions, or the following information (California Code of Regulations, Title 8, Section 230.2 c):

1. The name, address and telephone number of the contractor making the contribution.
 2. The contractor's license number.
 3. The name and address of the public agency that awarded the contract.
 4. The jobsite location, including the CITY where the work was performed.
 5. The contract or project number
 6. The time period covered by the enclosed contributions.
 7. The contribution rate and total hours worked by the apprenticeable occupation(s).
- Pay the apprentice rate on public works projects only to those apprentices who are registered, as defined in Labor Code Section 3077:

Sec. 3077. The term "apprentice" as used in this chapter, means a person at least 16 years of age who has entered into a written agreement, in this chapter called an "apprentice agreement", with an employer or program sponsor. The term of apprenticeship for each apprenticeable occupation shall be approved by the chief, and in no case shall provide for no less than 2,000 hours or reasonably continuous employment for such person for his or her participation in an approved program of training through employment and through education in related and supplemental subjects.

TO BE COMPLETED BY CONTRACTOR

This form should be sent to the Apprenticeship Committee of the craft or trade in area of the site of the public work. If you have any questions as to the address of the appropriate Apprenticeship Committee, contact the nearest office of the Division of Apprenticeship Standards (DAS). Consult your telephone directory under California, State of, Industrial Relations, for the DAS office in your area. Do not send this form to the Division of Apprenticeship Standards.

FC FORM 3

PUBLIC WORKS
CONTRACT AWARD INFORMATION

Name of Contractor:	Contractor's State License No.:
Contractor's Mailing Address -- Number & Street, City, Zip Code:	Area Code & Telephone No.:
Name & Location of Public Works Project:	Date of Contract Award:
	Date of Expected or Actual Start of Project:
Name & Address of Public Agency Awarding Contract:	Estimated Number of Journeymen Hours:
APPRENTICES	
Occupation of Apprentice	Number To Be Employed
	Approximate Dates To Be Employed

Check One Of The Boxes Below

Please Note: Your election of options is not to be deemed a request for the immediate dispatch of apprentices. Contractors must make a separate request for actual dispatch.

- Box 1 We will request dispatch of apprentice(s) for this job in accordance with Section 230.1 (A), California Code of Regulations. We voluntarily choose to comply with the applicable Apprenticeship Committee Standards for the duration of this job only, with regard to training apprentices and to the payment of training contributions.
- Box 2 We will request dispatch of apprentice(s) for this job in accordance with Section 230.1 (A), California Code of Regulations, but do not agree to be bound by the applicable Apprenticeship Committee Standards in training the apprentices; instead, we agree to employ and train apprentice(s) in accordance with the California Apprenticeship Council regulations, including section 230.1 of the California Code of Regulations, governing employment of apprentices on public work projects.
- Box 3 We are already approved to train apprentices by the applicable Apprenticeship Committee and we will employ and train under the Standards. We will request dispatch of apprentices for this job in accordance with Section 230.1 (A), California Code of Regulations.

Signature: _____
Typed Name _____

Title: _____ Date: _____
State of California -- Department of Industrial Relations



REQUEST FOR DISPATCH OF AN APPRENTICE – DAS 142 FORM

DO NOT SEND THIS FORM TO DAS

You may use this form to request dispatch of an apprentice from the Apprenticeship Committee in the craft or trade in the area of the public work. Go to: <http://www.dir.ca.gov/databases/das/pwaddrstart.asp> for information about programs in your area and trade. You may also consult your local Division Apprenticeship Standards (DAS) office whose telephone number may be found in your local directory under California, State of, Industrial Relations, Division of Apprenticeship Standards. **Except for projects with less than 40 hours of journeyman work, you must request and employ apprentices in no less than 8 hour increments.**

Date: _____	Contractor Requesting Dispatch:
To Applicable Apprenticeship Committee:	Name: _____
Name: _____	Address: _____
Address: _____	License No. _____
Tel. No. _____ Fax No. _____	Tel. No. _____ Fax No. _____

Project Information:

Contract No. _____

Name of the Project: _____

Address: _____

Dispatch Request Information:

Number of Apprentice(s) Needed: _____ Craft or Trade: _____

Date Apprentice(s) to Report: _____ (72 hrs. notice required) Time to Report: _____

Name of Person to Report to: _____

Address to Report to: _____

*You may use this form to make your written request for the dispatch of an apprentice. Requests for dispatch must be in writing and submitted at least 72 hours in advance (excluding weekends and holidays) via first class mail, fax or email. **Proof of submission may be required.** Please take note of California Code of Regulations, Title 8, § 230.1 (a) for all applicable requirements regarding apprenticeship requests and/or visit <http://www.dir.ca.gov/DAS/DASApprenticesOnPublicWorksSummaryOfRequirements.htm>*

DAS 142 (Revised 04/14)

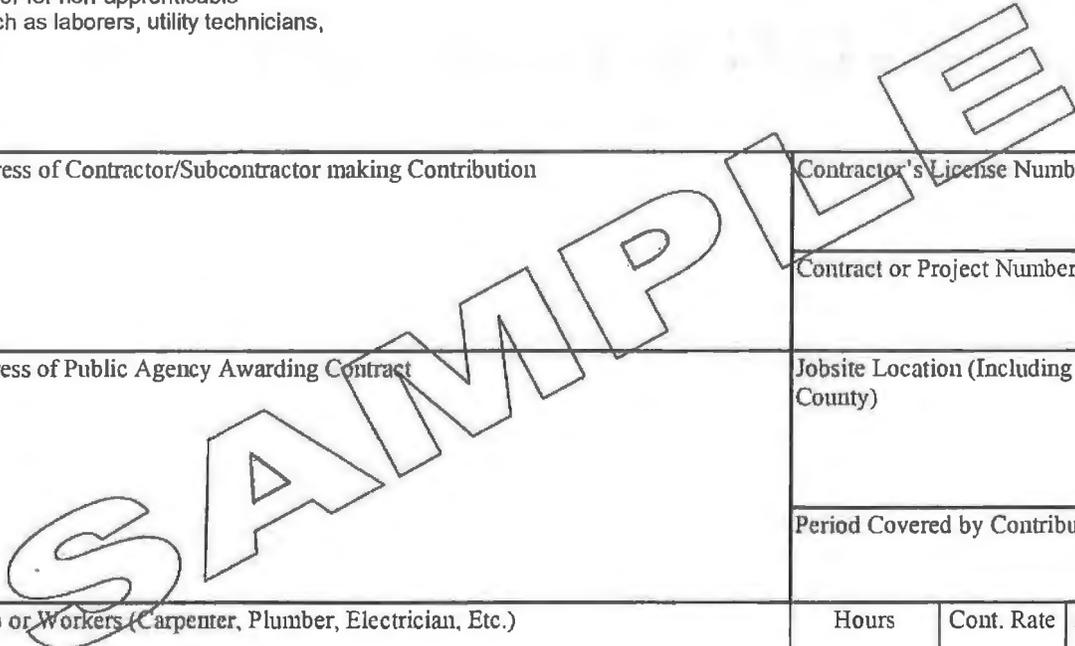
TO BE COMPLETED BY CONTRACTOR

State of California
 Department of Industrial Relations
 P.O. Box 511283
 Los Angeles, CA 90051-7838

Please use a separate form for each jobsite, listing the occupations for the jobsite. One check, payable to the California Apprenticeship Council, may be submitted for all jobsites and/or occupations. Training fund contributions are not accepted by the California Apprenticeship Council for federal public works projects, or for non-apprenticable occupations such as laborers, utility technicians, teamsters, etc.

TRAINING FUND CONTRIBUTIONS

California Apprenticeship Council



Name and Address of Contractor/Subcontractor making Contribution						Contractor's License Number		
						Contract or Project Number		
Name and Address of Public Agency Awarding Contract						Jobsite Location (Including County)		
						Period Covered by Contribution		
Classification(s) or Workers (Carpenter, Plumber, Electrician, Etc.)						Hours	Cont. Rate per Hour	Amount
Signature						Date		
Title						Area Code & Telephone Number		

CAC 2

TO BE COMPLETED BY CONTRACTOR

CONTRACTOR FRINGE BENEFIT STATEMENT

Contract Number / Name: _____ Contract Location: _____ Today's Date: _____

Contractor / Subcontractor Name: _____ Business Address: _____

In order that the proper Fringe Benefit rates can be verified when checking payrolls on the above contract, the hourly rates for fringe benefits, subsistence and/or travel allowance payment made for employees on the various classes of work are tabulated below:

Classification:		Effective Date:	Subsistence or Travel Pay:
FRINGE BENEFITS	Health & Welfare	\$ _____	PAID TO: Name: _____ Address: _____
	Pension	\$ _____	PAID TO: Name: _____ Address: _____
	Vacation/ Holiday	\$ _____	PAID TO: Name: _____ Address: _____
	Training and/or Other	\$ _____	PAID TO: Name: _____ Address: _____
Classification:		Effective Date:	Subsistence or Travel Pay:
FRINGE BENEFITS	Health & Welfare	\$ _____	PAID TO: Name: _____ Address: _____
	Pension	\$ _____	PAID TO: Name: _____ Address: _____
	Vacation/ Holiday	\$ _____	PAID TO: Name: _____ Address: _____
	Training And/or Other	\$ _____	PAID TO: Name: _____ Address: _____
Classification:		Effective Date:	Subsistence or Travel Pay:
FRINGE BENEFITS	Health & Welfare	\$ _____	PAID TO: Name: _____ Address: _____
	Pension	\$ _____	PAID TO: Name: _____ Address: _____
	Vacation/ Holiday	\$ _____	PAID TO: Name: _____ Address: _____
	Training And/or Other	\$ _____	PAID TO: Name: _____ Address: _____

Submitted: Contractor / Subcontractor _____ By: Name / Title _____

Supplemental statements must be submitted during the progress of work should a change in rate of any of the classifications be made

NOTICE TO PUBLIC ENTITY

For Privacy Considerations

Fold back along dotted line prior to copying for release to general public (private persons).

(Paper Size then 8-1/2 x 11 inches)



I, _____, the undersigned, am the
(Name - print)

_____ with the authority to act for and on behalf of
(Position in business)

_____, certify under penalty of perjury
(Name of business and/or contractor)

that the records or copies thereof submitted and consisting of _____
(Description, number of pages)

are the originals or true, full, and correct copies of the originals which depict the payroll record(s)
of the actual disbursements by way of cash, check, or whatever form to the individual or
individuals named.

Date: _____

Signature: _____

A public entity may require a stricter and/or more extensive form of certification.

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1
FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

CRAFT: # CARPENTER

DETERMINATION: SD-23-31-4-2008-1

ISSUE DATE: August 22, 2008

EXPIRATION DATE OF DETERMINATION: June 30, 2009** The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Division of Labor Statistics and Research for specific rates at (415) 703-4744.

LOCALITY: All localities within San Diego County

CLASSIFICATION (JOURNEYPERSON)	Basic Hourly Rate	Health and Welfare	Employer Payments				Straight-Time		Overtime Hourly Rate		
			Pension	Vacation/ Holiday	Training	Other Payment	Hours	Total Hourly Rate	Daily ^a	Saturday ^b	Sunday & Holiday ^c
ENGINEERING CONSTRUCTION								1 1/2X	1 1/2X	2X	
Carpenter (Heavy and Highway Work)	\$37.15	3.95	1.91	3.30 ^d	.42	31	\$	47.04	65.615	65.615	\$4.19
Bridge Carpenter (Highway Work)	57.28	3.95	1.91	3.30 ^d	.42	31	\$	47.17	65.81	65.81	\$4.45
Millwright	37.65	3.95	1.91	3.30 ^d	.42	31	\$	47.54	66.365	66.365	\$5.19
Pile Driver	37.28	3.95	1.91	3.30 ^d	.42	31	\$	47.17	65.81	65.81	\$4.45
Diver, Wet (up to 50 ft. depth) ^e	\$2.96	3.95	1.91	3.30 ^d	.42	29	\$	92.83	134.51	134.51	175.79
Diver, Standby	41.48 ^f	3.95	1.91	3.30 ^d	.42	29	\$	51.35	72.09	72.09	92.85
Diver's Tender	40.48 ^f	3.95	1.91	3.30 ^d	.42	29	\$	50.35	70.59	70.59	90.83
Assistant Tender	37.48 ^f	3.95	1.91	3.30 ^d	.42	29	\$	47.35	66.09	66.09	\$4.83

DETERMINATION: SD-25-31-4-2008-2A

ISSUE DATE: August 22, 2008

EXPIRATION DATE OF DETERMINATION: June 30, 2009** The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Division of Labor Statistics and Research for specific rates at (415) 703-4744.

LOCALITY: All localities within San Diego

BUILDING CONSTRUCTION

Carpenter	\$32.30	3.95	1.91	3.30 ^d	.42	31	\$	42.38	58.03 ^g	58.03 ^g	74.18
Light Commercial	25.84	3.95	1.91	3.30 ^d	.42	31	\$	35.47	48.34 ^g	48.34 ^g	61.26

DETERMINATION: SD-31-741-1-2008-1

ISSUE DATE: August 22, 2008

EXPIRATION DATE OF DETERMINATION: May 31, 2009* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Division of Labor Statistics and Research at (415) 703-4774 for the new rates after 10 days from the expiration date, if no subsequent determination is issued.

LOCALITY: All localities within San Diego

CLASSIFICATION (JOURNEYPERSON)	Basic Hourly Rate	Health And Welfare	Employer Payments				Straight-Time		Overtime Hourly Rate		
			Pension	Vacation/ Holiday	Training	Other Payment	Hours	Total Hourly Rate	Daily	Saturday	Sunday
Terrazzo Installer	\$34.10	3.95	1.91	3.15 ^h	0.02	-	\$	43.15	60.18	60.18	77.23
Terrazzo Finisher	27.60	3.95	1.91	3.15 ^h	0.02	-	\$	36.63	50.43	50.43	64.23

^a Indicates an apprenticeship trainee. Effective as of July 1, 2008, the apprentice and publication of the prevailing wage apprentice schedules apprentice wage rates have been reassigned by the Department of Industrial Relations from the Division of Labor Statistics and Research to the Division of Apprenticeship Standards. To obtain any apprentice schedule apprentice wage rates, please contact the Division of Apprenticeship Standards or refer to the Division of Apprenticeship Standards website at <http://www.dir.ca.gov/das/dsl.htm>.

^b Rate only applies to the first 4 daily overtime hours and the first 1 1/2 hours on Saturday; all other time is paid at the Sunday/Holiday rate.

^c Saturday in the same workweek may be worked at straight-time rate for the first 8 hours if the employee was unable to complete the 40 hours during the normal workweek for reasons beyond the control of the Employer, such as inclement weather. In addition, for Building Construction only, reasons can be due to major mechanical breakdown or lack of materials beyond the control of the Employer or because the employee voluntarily chooses to miss a scheduled workday, he may voluntarily work on Saturdays at straight time rate.

^d Includes supplemental dues.

^e An additional \$0.76 per hour when handling or working with new pressure-treated concrete piling or timber, or driving of used pressure-treated concrete piling.

^f Shall receive a minimum of 8 hours pay for any day or part thereof.

^g For specific rates over 50 ft. depth, contact the Division of Labor Statistics and Research. Rates for Technician, Manifold Operator, Pressurized Submersible Operator, Remote Control Vehicle Operator, and Remote Operated Vehicle Operator, as well as rates for Pressurized Bell Diving and Saturation Diving are available upon request.

^h Saturdays in the same work week may be worked at straight-time rates if a job is shut down during the normal work week due to inclement weather, major mechanical breakdown or lack of materials beyond the control of the Employer. Work on Sunday if it is the 7th consecutive workday, shall be paid at double (2x) the straight-time rate.

ⁱ Rate only applies to the first 4 daily overtime hours and the first 1 1/2 hours on Saturday; all other time is paid at the Sunday/Holiday rate.

^j Saturday in the same workweek may be worked at straight-time rate for the first 8 hours if the employee was unable to complete the 40 hours during the normal workweek due to inclement weather, major mechanical breakdown or lack of materials beyond the control of the Employer or because the employee voluntarily chooses to miss a scheduled workday, he may voluntarily work on Saturdays at straight time rate.

DESCRIPTION:

Engineering Construction

Refers to construction which requires a Class A license and includes bridges, highways, dams and also power plants and other heavy industrial type projects.

Building Construction

The high commercial wage rate shall not apply to institutional type buildings such as public or private schools, hospitals, libraries, museums, or post offices or other similar structures.

RECOGNIZED HOLIDAYS: Holidays upon which the general prevailing hourly wage rate for Holiday work shall be paid shall be all holidays in the collective bargaining agreement, applicable to the particular craft, classification, or type of worker employed on the project, which is on file with the Director of Industrial Relations. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6300 of the Government Code. You may obtain the holiday provisions for the current determination on the Internet at <http://www.dir.ca.gov/DLSR/PWD>. Holiday provisions for current or superseded determinations may be obtained by contacting the Prevailing Wage Unit at (415) 703-4774.

TRAVEL AND/OR SUBSISTENCE PAYMENT: In accordance with Labor Code Sections 1773.1 and 1773.9, contractor shall make travel and/or subsistence payments to each worker to execute the work. You may obtain the travel and/or subsistence provisions for the current determination on the Internet at <http://www.dir.ca.gov/DLSR/PWD>. Travel and/or subsistence requirements for current or superseded determinations may be obtained by contacting the Prevailing Wage Unit at (415) 703-4774.

LABOR STANDARDS INTERVIEW FORM					
Contractor to whom this document contains personal information and trade secrets is prohibited from disclosing this information					
I. Project Information					
Project:			Employer:		
Employee Name:			Superintendent & Size of Crew:		
Social Security Number:			Date and Time of Interview:		
Phone Number:			Prime Contractor:		
II. Interview Information					
Work being performed at time of interview:					
Mailing Address:					
How long have you worked for employer:		What date did you begin work on this project:		Last date you worked on this project before today:	
Present job/classification:		Journeyman _____ Apprentice _____		What is your hourly pay rates? Straight Overtime Double Time/Holiday	
Do you work overtime: Yes No		Are you paid at 1.5 X for hours over 8 per day/40 per week? if NO, please explain:		Are you paid: Weekly Biweekly	
		Yes No Yes No		Do you keep a record of your hours worked: Yes No	
Describe the work you have been doing in the past week:			Tools/Equipment Used:		
Do you understand the prevailing wage requirements on this Public Works project:			Do you understand the Apprenticeship requirements on this Public Works project (if applicable):		
Yes No Yes No			Yes No Yes No		
Have you ever been threatened, intimidated or coerced into giving up any of your pay:			What deductions other than taxes, social security and disability insurance are taken from your wages:		
Yes No Yes No					
Interviewer's Comments/Notes/Observations:					
I HAVE READ THE INFORMATION ON THIS FORM AND CERTIFY IT TO BE CORRECT TO THE BEST OF MY KNOWLEDGE					
Employee's Signature:				Date:	
Interviewer's Signature:				Date:	
III. Payroll Review					
Payroll Auditor's Comments/Notes:					
Payroll Wage:		Payroll Classification:		Reviewed/Certified BY:	

Sample Missing Document List

**Prime Contractor:
Project:**

Original Request: 02/08/00

This Request: 02/08/00

1. Apprenticeship Training Agreement (similar to Form DAS 1) must be provided for:
2. Apprenticeship Training Agreement (similar to Form DAS 7) must be provided for:
3. Training Fund Contributions (Form CAC 2 or equivalent) must be provided for:
4. Public Works Contract Award Information (Form DAS 140) with the name, address and phone number of the training program notified by all project contractors must be provided for:
5. Fringe Benefits Statements must be provided for:
6. Signed certified Payroll report or statement of Non-Performance with original signatures must be provided for:

contractors are responsible for submittal of their payrolls and those of their respective subcontractors as one package, which must be in the CITY's Labor Compliance Officer within one week of each weekly paycheck. In the event there has been no work performed during a given week, the certified payroll record shall be annotated with the words "No Work" for that week.
7. To determine the required hours for apprentices on this project we will need the contractor to Identify all sub-contractors who will perform work in involving less than \$30,000 or who will be on the project less than 20 calendar days or both.
8. Either the Public Works Payroll Reporting Form (Form A-1-131) or the CITY reporting form must be used.

Report of Action for Prevailing Wage Violations

Name of Project: _____

Contract Number: _____ First Advertised Date: _____

Where Work Is Performed: _____

Date Notice of Completion Filed: _____

Date of Project Acceptance or Current Percent Complete: _____

Name and Address of Prime Contractor:

Project's Scope of Work: _____

Contractors in Violation of the Labor Code and their Scope of Work: _____

Statement of the Issues Identified to the Contractor: _____

Summary of the Audit Investigation:

CPR Spread Sheets
Labor Code Sections Violated:

Summary of Penalty Assessment Justification: _____

Identify Labor Code 1775 and 1813 Penalties Requested with Calculated Totals: _____

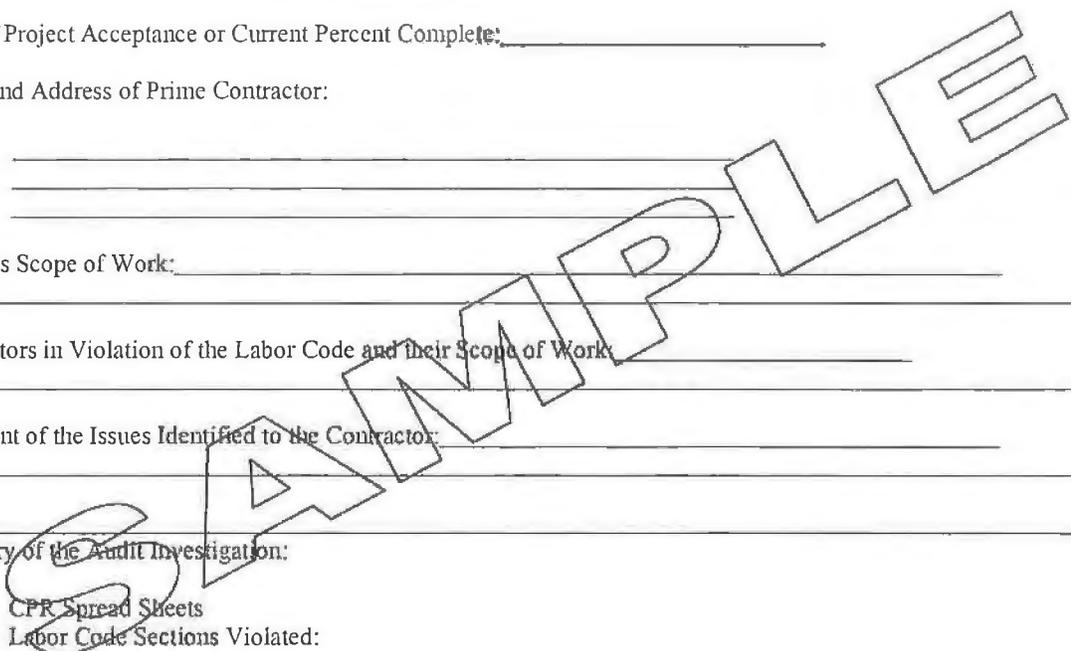
Is the Violation Due to Mistake, Inadvertence or is it a Willful Failure to Pay the Correct Wages: _____

Previous Record in Meeting Prevailing Wage Obligations: _____

Identify and Provide All Correspondence: _____

Identify and Provide Any Contractor Response: _____

Recommend Penalty Assessment: _____



FORM 9

FORM 13

WITHHOLDING AMOUNT CALCULATION

Attachment 2

ACME HIGH SCHOOL RE-ROOF

PRIME CONTRACTOR: ACME ROOFING CO., INC

Original Issue date: 00-00-0000							Latest Issue: 00-00-0000			
REPORTING CONTRACTOR :COMMERCIAL AND INDUSTRIAL ROOFING CO.,INC								CITY's comments		
CONTRACTOR PROVIDED INFORMATION										
Employee Name & Social Security Number	Work Classification	Week Ending	Rate Paid	Fringes Paid	Gross Per Hour	Hours Worked	Gross Amount Paid	Prevailing Wage Rate	Amount they should have been paid	Difference
					\$0.00		\$0.00		\$0.00	\$0.00
					\$0.00		\$0.00		\$0.00	\$0.00
					\$0.00		\$0.00		\$0.00	\$0.00
					\$0.00		\$0.00		\$0.00	\$0.00
									Total Contractor Difference:	\$0.00

SAMPLE

Total Project Difference: \$0.00

Sample Single Project Labor Compliance Review and Enforcement Report Form
[Appendix C following 8 CCR §16434]

Awarding Body: _____
Project Name: _____
Name of Approved Labor Compliance Program: _____
Bid Advertisement Date: _____
Acceptance Date: _____
Notice of Completion Recordation Date: _____

Summary of Labor Compliance Activities

- 1. Contract Documents Containing Prevailing Wage Requirements (Identify)

- 2. Prejob Conference(s) -- Attach list(s) of attendees and dates
- 3. Notification to Project Workers of Labor Compliance Program's Contact Person. (Explain Manner of Notification for each project work site.)

4. Certified Payroll Record Review

a. CPRs Received From:

<u>Contractor/Subcontractor</u>	<u>For weeks ending ("w/e") through w/e</u>
_____	_____
_____	_____
_____	_____

b. Classifications identified in CPRs and applicable Prevailing Wage Determinations

<u>Classification</u>	<u>Determination No.</u>
_____	_____
_____	_____
_____	_____

5. Further investigation or audit due to CPR review, information or complaint from worker or other interested person, or other reason:

a. Independent Confirmation of CPR Data

<u>Contractor/Subcontractor</u>	<u>Worker Interviews (Yes/No)</u>	<u>Reconciled CPRs with Paychecks or Stubs (Yes/No)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

b. Employer Payments (Health & Welfare, Pension, Vacation/Holiday) Confirmation

<u>Contractor/Subcontractor</u>	<u>Recipients of Employer Payments</u>	<u>Written confirmation Obtained (Yes/No)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

c. Contributions to California Apprenticeship Council or Other Approved Apprenticeship Program

<u>Contractor/Subcontractor</u>	<u>Recipients of Contributions</u>	<u>Written confirmation Obtained (Yes/No)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

d. Additional Wage Payments or Training Fund Contributions Resulting from Review of CPRs

<u>Contractor/Subcontractor</u>	<u>Additional amounts Paid to Workers</u>	<u>Additional Training Fund</u>	<u>Explanation</u>
_____	_____	_____	*
_____	_____	_____	*
_____	_____	_____	*
_____	_____	_____	*

* Use separate page(s) for explanation

6. Complaints Received Alleging Noncompliance with Prevailing Wage Requirements.

<u>Name of Complainant</u>	<u>Date Received</u>	<u>Resolution or Current Status</u>
_____	_____	*
_____	_____	*
_____	_____	*
_____	_____	*

*Use separate page(s) to explain resolution or current status

7. Requests for Approval of Forfeiture to Labor Commissioner

<u>Contractor/Subcontractor</u>	<u>Date of Request</u>	<u>Approved/Modified/Denied</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Litigation Pending Under Labor Code Section 1742

<u>Contractor/Subcontractor</u>	<u>DIR Case Number</u>
_____	_____
_____	_____
_____	_____

9. (Check one): _____ Final report this project _____ Annual report this project

Authorized Representative for Labor Compliance Program

LABOR COMPLIANCE PROGRAM ANNUAL REPORT

Format for Awarding Body that enforces its own Labor Compliance Program for all projects (Labor Code §1771.5(a))

Report for the reporting period _____ to _____
(month and year) (month and year)

1. Name of Labor Compliance Program (LCP) :		
2. LCP I.D. Number (assigned by DIR):	3. Date of Initial Approval:	
4. Contact person (include name, title, address, telephone, fax, and e-mail, if available):		
5. Did LCP perform any LC § 1771.5 enforcement activities during the 12 months in the reporting period? Please check one: <input type="checkbox"/> Yes If Yes, proceed to item 6 on the next page <input type="checkbox"/> No If No, complete the information below, sign the form and submit to DIR, Office of the Director, Attn: LCP Special Assistant, 455 Golden Gate Avenue, 10th Floor, San Francisco CA 94102		
What suggestions do you have for the Department of Industrial Relations to better assist you with your program in the coming year? (attach additional sheets if necessary)		
SUBMITTED BY:		
Signature	Name and Title	Date

6. LC § 1771.5 enforcement activities (provide all information requested, attaching as many sheets as necessary).

A. List projects handled by LCP within the past 12 months.

Project Name	Bid Advertisement Date	Prime Contractor	Contract Amount
Total			

B. List any project subject to the limited exemption clause of LC § 1771.5(a), if applicable.

Project Name	Description of Project	Contract Amount
Total		

C. Summary of all wages and penalties assessed and/or recovered.

Project Name	Affected Contractor (who directly employed the worker)	Amount Assessed	Amount Recovered	Approval of Forfeiture Requested from Labor Commissioner?	Description of Violation
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
				<input type="checkbox"/> Yes <input type="checkbox"/> No	
Total					

D. For any amount identified in item C for which approval of forfeiture not requested from the Labor Commissioner, please explain below.

Project Name	Amount Assessed	Amount Recovered	Explanation
Total			

E. For any amount identified in item C for which approval of forfeiture was requested from the Labor Commissioner, please provide the following:

Project Name	Amount Assessed					Amount Recovered				
	LC §1776(g)	LC § 1775	LC § 1813	Wages	Total	LC § 1776(g)	LC § 1775	LC § 1813	Wages	Total
Total										

F. Identify cases that are or were the subject of LC § 1742 proceedings.

Project Name	Contractor	Nature of Violation	ODL Case #	Current Status

G. Did you refer any contractor to the Labor Commissioner for debarment per LC § 1777.1?

Please check one: Yes No

If yes, identify affected contractor(s) or subcontractor(s) and date(s) of referral: _____

H. Did you refer any apprenticeship violation to the Division of Apprenticeship Standards (DAS)?

Please check one: Yes No

If yes, identify affected contractor(s) or subcontractor(s) and date(s) of referral: _____

Labor Compliance Program Regulations

REQUEST FOR APPROVAL OF FORFEITURE

1. AWARDING BODY / THIRD PARTY LCP:

Name and Contact Information:	Date of Request:
Name and Contact Information for Awarding Body if different from LCP:	LCP Approval Status (specify if either interim or temporary or if LCP has extended authority):

2. PROJECT INFORMATION:

Project Name:	Contract Number:
Project Location:	
Bid Advertisement Dates:	Estimated Date Project is to be completed:
Acceptance Date of Project by the Awarding Body:	Notice of Completion/Date Recorded with CITY Recorder:
Other Relevant Deadline (specify):	Amount being held in Retention:

3. CONTRACTOR INFORMATION:

Name and address of Affected Contractor:	Name and address of Affected Subcontractor:
General Description of Scope of Work of the Entire Project:	
General Description of Scope of Work covered in the proposed Forfeiture (describe and attach relevant portions of contract or subcontract):	

4. **LABOR COMPLIANCE PROGRAM INVESTIGATION AND FINDINGS:**

Total Amount of Request for Notice of Withholding of Contract Payments:			
Wages Due:	Training Funds Due:	Total Penalties Due:	Potential Liquidated Damages [Wages + Training Funds]:
LC 1775 Penalties Due:	LC 1813 Penalties Due:	LC 1776 Penalties Due:	Other:

[Provide narrative summaries covering the following]:

- A. *Statement of Issues.*
- B. *Investigative Report (detailed narrative including but not limited to how the investigation was conducted including worker declarations, reviewing certified payroll records, verification of employer payment contributions, etc.).*
- C. *Audit Report (detailed explanation of how audit was completed addressing each of the issues above).*
- D. *Affected contractor and subcontractor information (how affected contractor and subcontractor were informed of potential violations; summary of their response with respect to violations and penalty issues; and any other information considered in determining recommended penalties).*
- E. *Recommended penalties under Labor Code Section 1775(a) and basis for recommendation, including how factors in subsection (a)(2) of Section 1775 were applied to arrive at the recommended amount(s).*

Daniel Gibbs

From: Marty Glaske <MGlask@gafcon.com>
Sent: Tuesday, June 25, 2019 9:20 AM
To: Daniel Gibbs
Cc: Lizette Rodriguez
Subject: LCP Consulting - Gafcon, Inc.
Attachments: Gafcon LCP Informational Handout.pdf

Daniel,

Good morning, pleasure chatting with you about your upcoming Prop 84 project, Cady Springs Pump Station Rebid, Project #18-03. As discussed Gafcon can assist the City with the implementation and compliance oversight of your LCP Program. Our basic services would include, but are not limited to the following:

- Prepare and submit the LCP Program Manual to the DIR for approval
- Assist the City with any follow up or questions regarding submitted manual
- Assist the City with the submission of the PWC 100
- Conduct a telephonic LCP Pre Job with the GC and all subs explaining all of the requirements under Prop 84
- Prepare and provide wage books for the City and the GC to post onsite
- Collect, review, and report monthly on:
 - Certified Payroll
 - Collect and review
 - Apprenticeship Requirements
 - DAS 140/DAS 142
 - Benefits
 - Collect and review
 - Ancillary documents
 - Check stubs
 - Daily Reports (if applicable)
 - Site Visits (Site Interviews)
 - Conduct and resolve pre meetings for underpayments
 - All reporting to the state
 - Pre Meeting Minutes
 - Annual Report

- Fulfill any 3rd party requests for information
- Educate the City staff on LCP and keep the City Staff up to date with all new regulations and laws
- Provide an end of project closeout report using DIR approved format
- Box all paperwork and deliver to the City for holding 6 months after the end of the project

Based upon the information given, we anticipate our fee to be \$4,500. This would be a not-to-exceed fee based upon hourly rates. This method allows us to utilize the least amount of hours needed, thus potentially resulting in savings for the City. I have also attached a handout that gives you some information on our services, and invite you to look at our website at www.gafcon.com.

Thank you, and I look forward to hearing from you.

Regards,



Marty Glaske

Vice President, Labor Relations

direct 858.875.0056 | main 858.875.0010 | mobile 619.729.1569

San Diego | 5960 Cornerstone Court West, Suite 100 | San Diego, CA 92121

Orange County | 23282 Mills Creek Drive, Suite 100 | Laguna Hills, CA 92653

Los Angeles | 660 South Figueroa Street, Suite 1790 | Los Angeles, CA 90017 | www.gafcon.com

WE DELIVER COMPLEX PROJECTS THAT POWER VIBRANT COMMUNITIES



This e-mail and any files transmitted with it are confidential and intended only for the individual named. If you have received this e-mail by mistake, please notify the sender immediately by e-mail. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail if you have received it in error. You should not act on or respond to any e-mail that is in error. E-mail messages are not encrypted. If you are unable to open an attached file, please contact the sender. If you are unable to open an attached file, please contact the sender. If you are unable to open an attached file, please contact the sender. If you are unable to open an attached file, please contact the sender.



 **gafcon**

Labor Relations Consulting



Marty Glaske

Vice President of Labor Relations

Marty has more than 20 years of experience in construction and the development and enforcement of Labor Compliance Programs (LCP), Project Labor Agreements, and Local Hire/Outreach programs throughout the State of California. As manager of 500+ projects with a construction value exceeding \$10 billion, Marty has developed a depth of knowledge of all types of publicly and privately funded projects. He successfully implemented a LCP at Stockton Unified School District that resulted in the collection of more than \$40,000 in owed wages and penalties within the first year. Marty was also part of a hand selected public works training team for the DIR through the Fresno Community College District.

Lizette Santillan

Labor Relations Manager

Lizette has extensive experience in all areas of contract compliance monitoring, auditing, and enforcement of applicable rules and regulations for state and federally funded projects. She is adept at working with contractors, subcontractors, and organized labor representatives in resolving tough compliance issues in a quick and efficient manner. Her experience on job sites and keen understanding of project funding, labor classifications and scope of work makes her uniquely qualified to perform compliance on public and private projects.

Marty and I have had an outstanding relationship over the past decade. He is absolutely my go-to guy when it comes to wage and classification issues, as well as labor-management partnerships.

Tom Lemmon, Business Manager
San Diego/Imperial County Building Trades

Gafcon Labor Relations Services

- Labor Compliance Program Management Design, Implementation and Enforcement
- Workforce Demographics Monitoring and Reporting
- Project Labor Agreement/ Project Stabilization Agreement Management
- Workforce Participation Monitoring and Reporting
- Contractor Training and Compliance Assistance
- Community and Contractor Outreach
- EEO Monitoring and Reporting
- MBE/WBE/DBE/DVBE Participation Outreach

Sample Projects

NBC UNIVERSAL



This \$2.8B Evolution Plan includes creation of Project Labor Agreement (PLA) forms and documents, implementation of the PLA, labor union relations, PLA interpretation resolution and grievance process, and the management and oversight of labor on-site.

CITY OF SANTA MONICA



Gafcon is currently providing Labor Compliance Monitoring and Enforcement services for approximately \$50M in improvement projects encompassing street and sewer, facilities, signage, and airport renovations.

THE FORUM



This project included the \$100 million renovation of The Forum for the Madison Square Garden Company. Projects included oversight of the outreach and local hire initiative, labor union relations, community relations, review and resolution of prevailing wage, and apprenticeship requirements.

Sample Clients

- County of San Diego
- City of San Diego
- City of Coronado
- City of El Cajon
- San Diego Association of Governments
- Trust for Public Land
- San Diego Housing Commission
- University of Southern California
- University of California, Davis
- Los Angeles Community College District
- Grossmont-Cuyamaca Community College District
- Grossmont Union High School District



gafcon



Gafcon, Inc. | www.gafcon.com | 800.731.6110

SD Office | 5960 Cornerstone Ct W | Suite 100 | San Diego, CA | 92121

LA Office | 660 South Figueroa Street | Suite 1790 | Los Angeles, CA | 90017

OC Office | 23282 Mills Creek Drive | Suite 110 | Laguna Hills, CA | 92653

Reviewed by:  City Administrator

Motion only
 Public Hearing
 Resolution
 Ordinance
 Information

SUBMITTED BY: Mike Wilson, City Administrator**MEETING DATE:** August 7, 2019**CITY COUNCIL AGENDA ITEM****SUBJECT:** Sale of Surplus City Vehicles and Equipment**PRESENTED BY:** Mike Wilson, City Administrator

SUMMARY: The City maintains equipment that is currently not being used based on age, condition, etc. A survey of this equipment concludes it is in such a condition that it costs more to repair and maintain than its actual value.

The above-mentioned equipment is described as follows:

Fire Dept: FD 19-20 Smoke Ejector Fans
 FD 19-21 Block and Tackle
 FD 19-22 ½ Inch Tow Chains
 FD 19-23 Cart Wheels (4)
 FD 19-24 Floto Pump
 FD 19-25 5-gallon Gas Cans (2)
 FD 19-26 Insolated Food Cards (2)
 FD 19-27 Flood Light with Motion Sensor
 FD 19-29 Flash Lights with Chargers (3)
 FD 19-30 Air Chisel and Regulator
 FD 19-31 Truck Snow Chains and Parts Lot
 FD 19-32 Large Fire Extinguisher Mounts (2)
 FD 19-33 Misc. Brass, Metal and Parts Lot
 FD 19-34 Castor Wheels (8)
 FD 19-35 Misc. Metal Tools Lot
 FD 19-36 Hydraulic Spreader

Pursuant to Ordinance 3.08.110, all using departments shall submit to the finance director at such times and in such form as he or she shall prescribe, reports showing all supplies and equipment which are no longer used which have become obsolete or worn out. The finance director shall have authority to sell all supplies and equipment which cannot be used by any department, or which have become unsuitable for city use, or to exchange the same for, or trade the same in, on new supplies and equipment. City council approval is needed for sale of supplies and/or equipment as surplus. The finance director shall also have the authority to make transfers between departments of any usable surplus supplies or equipment. (Ord. 98-847 § 1; prior code § 20.11)

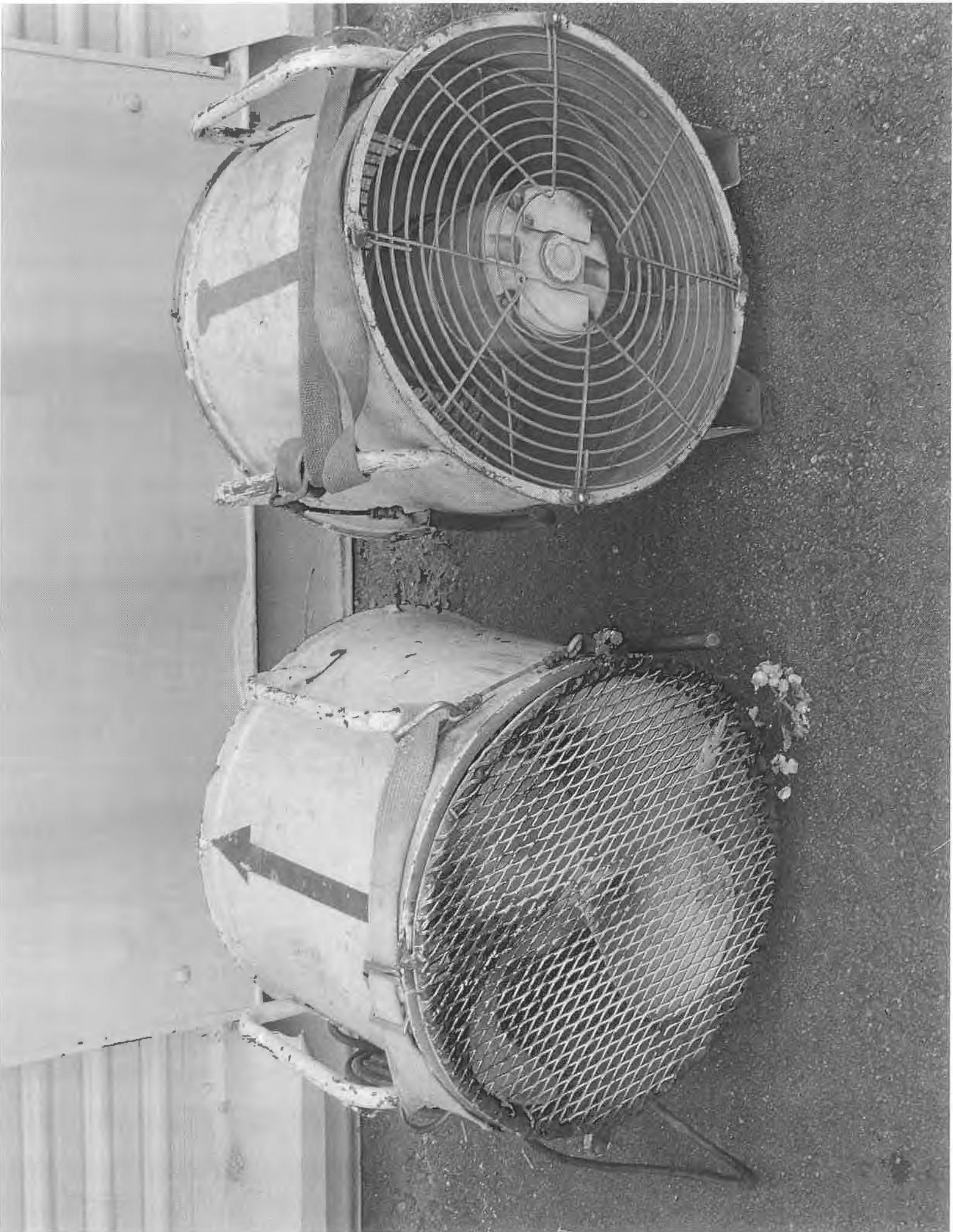
As a public entity, it is recommended that the sale of all surplus equipment be sold through public auction. Staff recommends using BidCal Public Auctions to sell surplus equipment. By sending this surplus equipment to public auction, the City would be able to recuperate a portion of the funds initially invested into the original purchase and those funds can be placed back into the General Fund.

FISCAL IMPACT: Unknown at this time.

ACTION

REQUESTED: Motion to authorize staff to sell this equipment through public auction, utilizing BidCal Auctions and place the proceeds from that auction into the general fund.

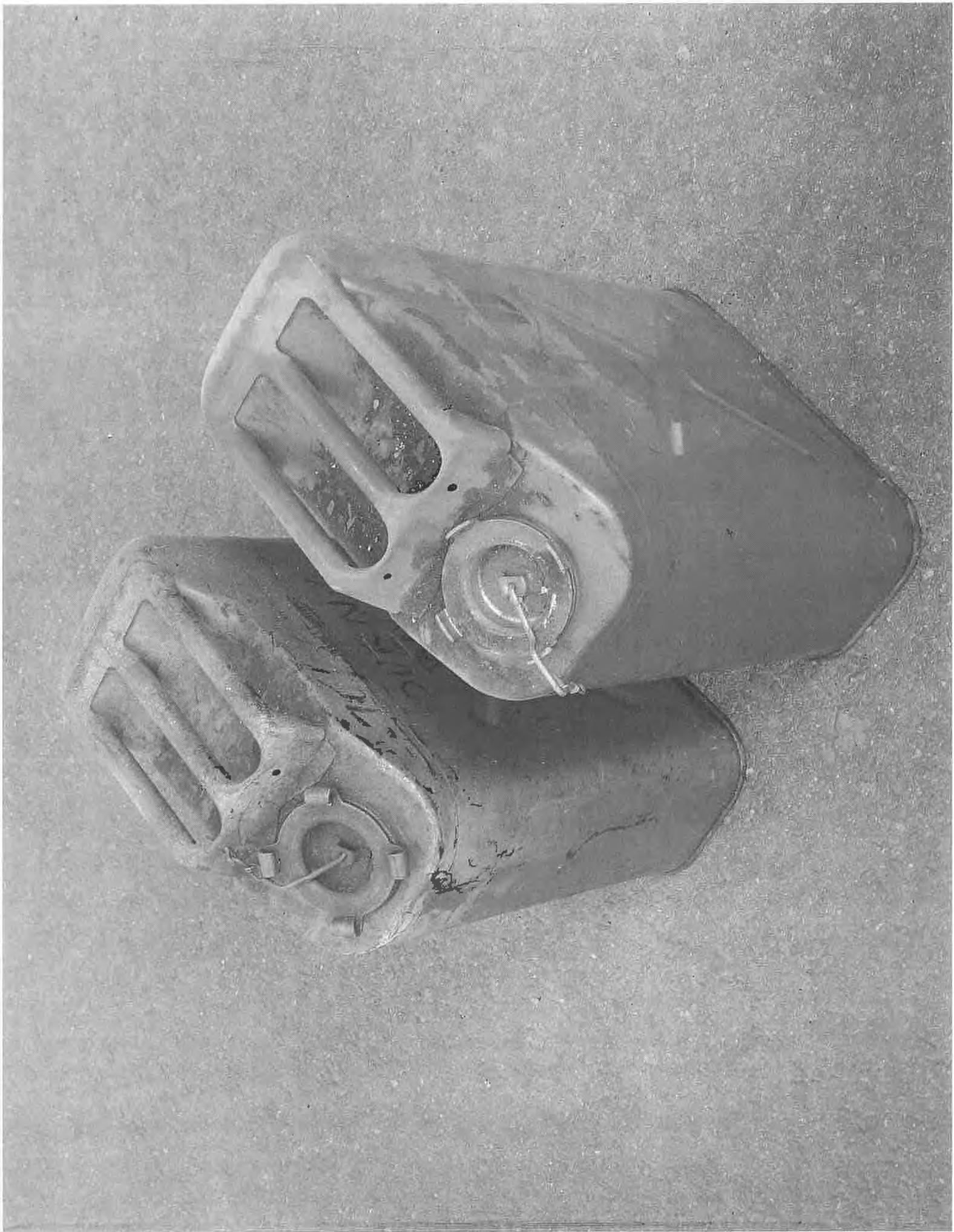
ATTACHMENTS: Photos of items as listed above













Health Zenith



Motion Security Light

Luz de seguridad para detección de movimiento

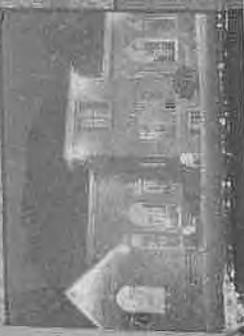
Éclairage de détection de mouvement



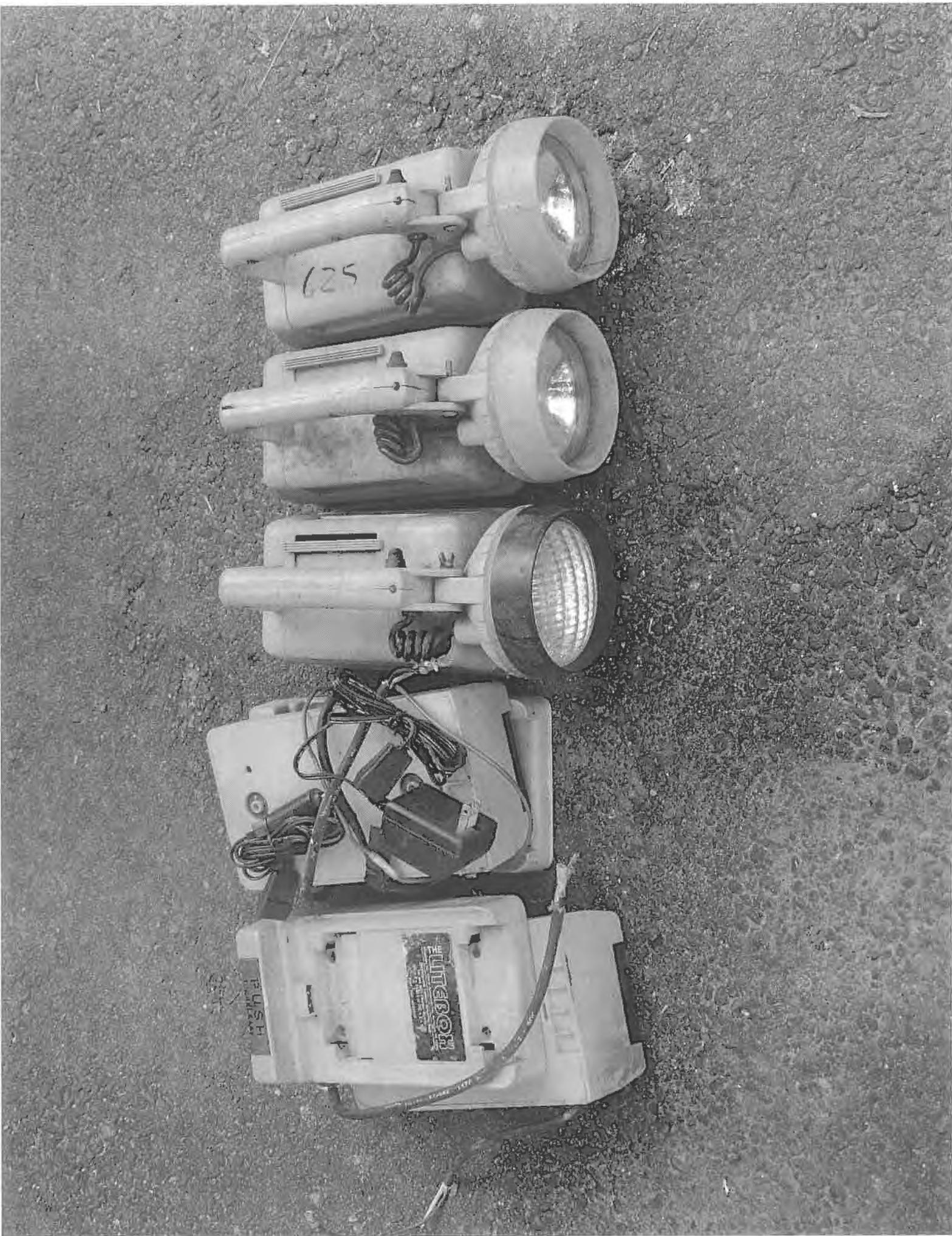
2x 150W BULBS INCLUDED (INCLUDE BOMBILLAS / BOMBILLES COMPLETES)

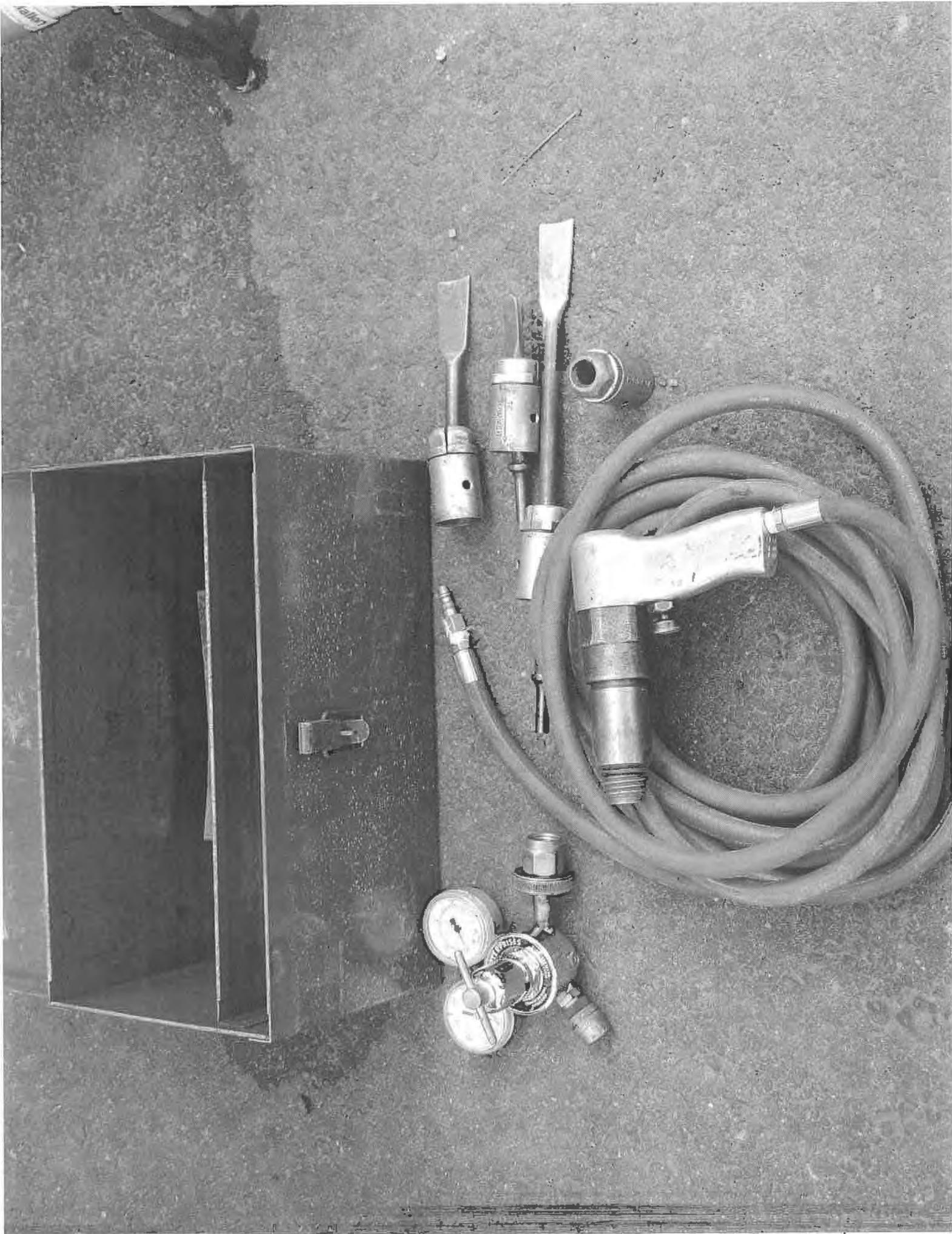
DUALBRITE

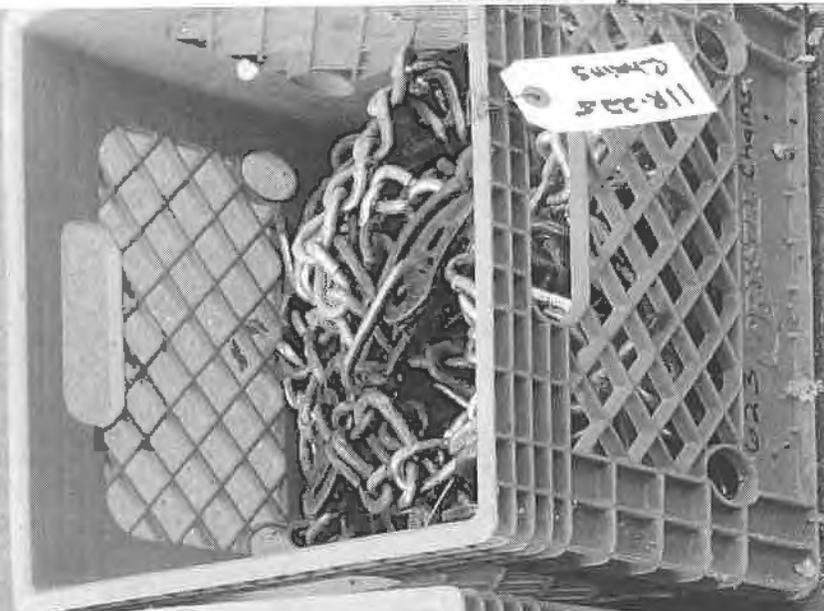
Up to 21,000 sq. ft. Motion Detection Area
Área de detección de movimiento de 21,000 pies cuadrados (1951 m²)
Zone de détection de mouvement de 1 951 m² (21 000 pi²)



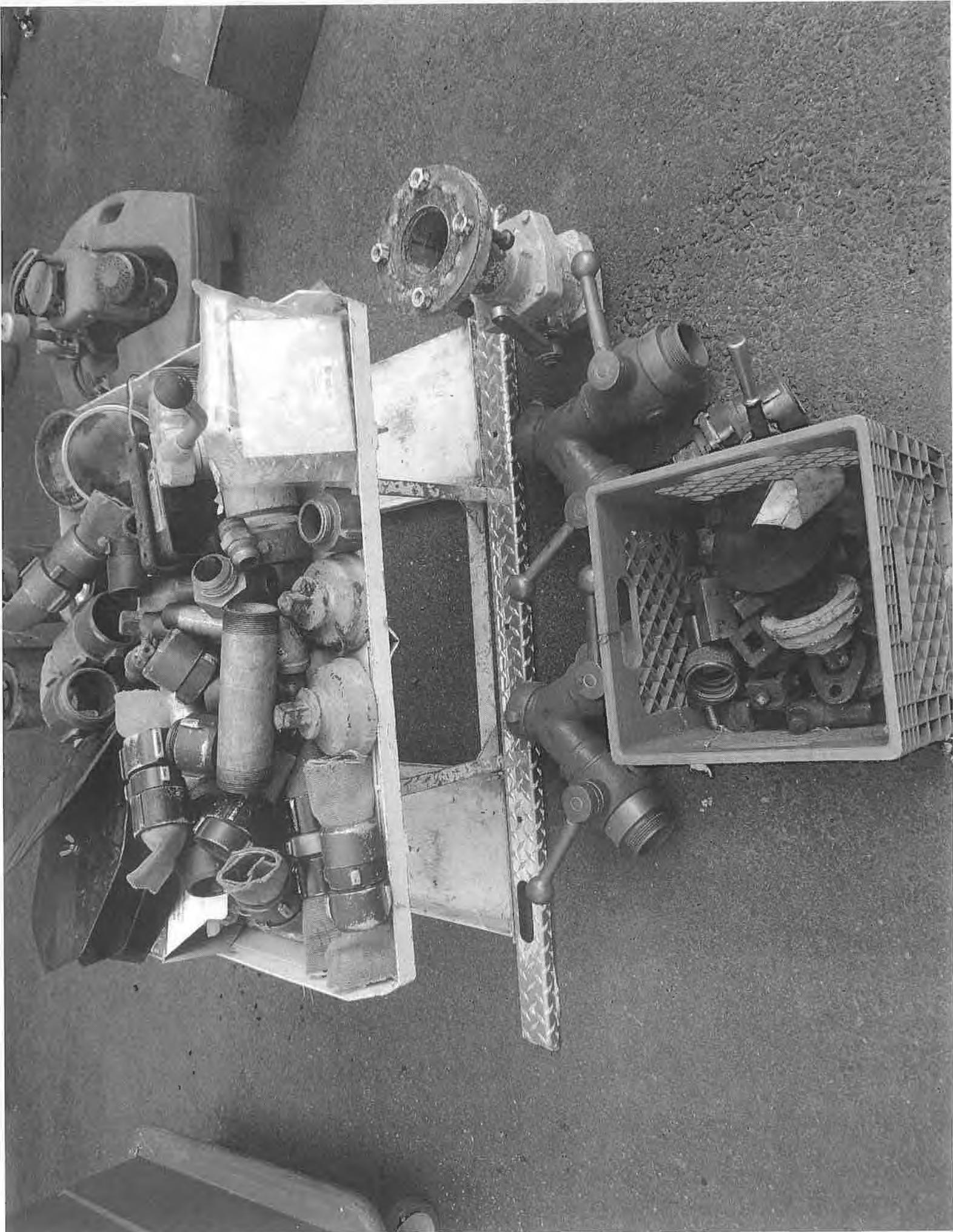
MIN 75° C SUPPLY CONDUCTORS
CONDUCTORES DE ELECTRICIDAD 75° C MIN
LES FILS D'ALIMENTATION DOIVENT CONVENIR POUR 75° C



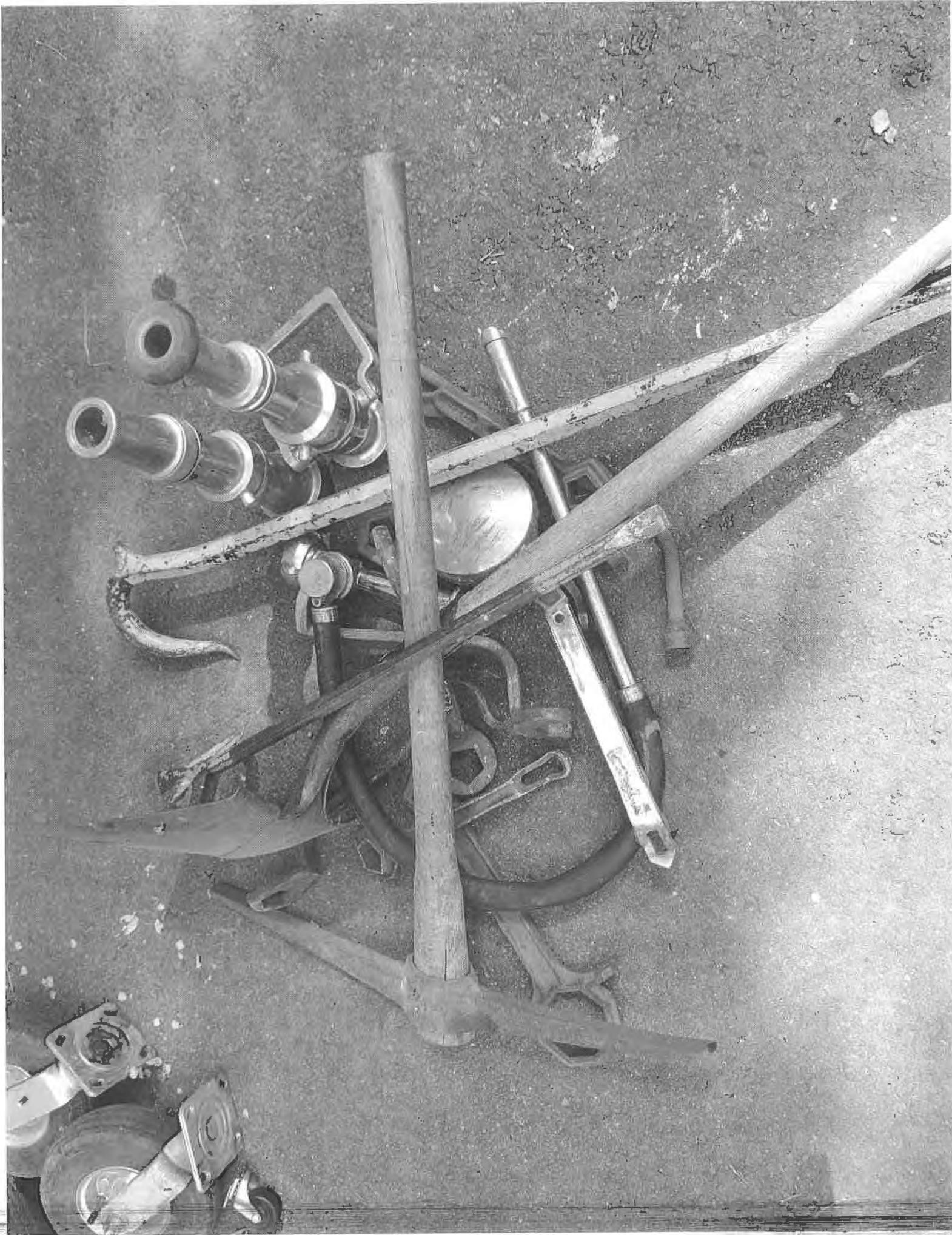














Reviewed by:  City Administrator

AGENDA ITEM NO. 9H

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Kevin Jones, Police Chief

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Consider **Resolution No. 19-5685**, approving the purchase of a Police Vehicle using the Police Department Facilities and Equipment Reserve Fund

PRESENTED BY: Kevin Jones, Police Chief

SUMMARY: The Police Department is seeking to purchase an additional Police Vehicle to replace the aging vehicles at the department. With the recent adoption of the new budget policies, the police department received approximately \$46,000 from the out-of-area account to be used placed on a facilities and equipment reserve fund. The Police Department is now requesting to use these funds to purchase a new/used vehicle and the necessary equipment to outfit this vehicle. I have obtained quotes from three (3) vendors.

Prices on the two Dodge Charger/Police Interceptors are as follows:

Susanville Auto Center	\$21,000.00
Modesto Toyota	\$26,693 (Not Incl tax)
Napa Ford	\$27,985.00 (Not Incl tax)

I would ask the City Council to authorize the purchase of the vehicle from the local vendor, Susanville Auto Center in the total amount of \$21,000.00, the purchase of equipment estimated at \$6,000 and authorize the Chief to sign any pertinent documents related to the purchase.

FISCAL IMPACT: \$27,000 – Police Reserve Fund 1006-421-10-3640

ACTION REQUESTED: Motion to approve Resolution No. 19-5685 authorizing purchase of a Police Vehicle from Susanville Auto Center in amount of \$21,000.00 and purchase of equipment to outfit the vehicle in the amount of \$6,000.

ATTACHMENTS: Resolution No. 19-5685
Vehicle quotes

RESOLUTION NO. 19-5685
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
APPROVING PURCHASE OF A POLICE VEHICLE

WHEREAS, City of Susanville Police Department has a need for an additional vehicle and equipment for said vehicle; and

WHEREAS, funding from the out-of-area account allows purchases for facilities and equipment; and

WHEREAS, competitive bids were received for this vehicle from Susanville Auto Center and Modesto Toyota and Napa Ford; and

WHEREAS, the purchase of a Ford Crew Cab truck will be purchased through Susanville Auto Center and equipment outfitting from Sierra Electronics.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville approves the purchase of a police vehicle from Susanville Auto Center in the amount of \$21,000.00 and equipping of vehicle up to \$6,000 from this account.

APPROVED: _____
Kevin Stafford, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of August, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

LAW 553-CA-ARB-eps 7/16

RETAIL INSTALLMENT SALE CONTRACT - SIMPLE FINANCE CHARGE (WITH ARBITRATION PROVISION)

Dealer Number 96403 Contract Number N/A R.O.S. Number N/A Stock Number 39211

Buyer Name and Address (Including County and Zip Code) SUSANVILLE POLICE DEPT 1801 MAIN ST SUSANVILLE, CA 96130-4518 N/A	Co-Buyer Name and Address (Including County and Zip Code)	Seller-Creditor (Name and Address) SUSANVILLE FORD 704-485 Richmond Rd Susanville, CA 96130
---	--	--

You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit under the agreements on all pages of this contract. You agree to pay the Seller - Creditor (sometimes "we" or "us" in this contract) the Amount Financed and Finance Charge in U.S. funds according to the payment schedule below. We will figure your finance charge on a daily basis. The Truth-in-Lending Disclosures below are part of this contract.

New Used	Year	Make and Model	Odometer	Vehicle Identification Number	Primary Use For Which Purchased
USED	2012	FORD F-150 SUPERCREW	68,799	1FTFW1EF0CKD88691	Personal, family or household unless otherwise indicated below. <input type="checkbox"/> business or commercial

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.	Total Sale Price The total cost of your purchase on credit, including your down payment of \$ 0.00 is \$ 20,999.99 (e)
0.00 %	\$ 0.00 (e)	\$ 20,999.99 (e)	\$ 20,999.99 (e)	\$ 20,999.99 (e)

(e) means an estimate

STATEMENT OF INSURANCE			
NOTICE: No person is required as a condition of financing the purchase of a motor vehicle to purchase or negotiate any insurance through a particular insurance company, agent or broker. You are not required to buy any other insurance to obtain credit. Your decision to buy or not buy other insurance will not be a factor in the credit approval process.			
Vehicle Insurance			
\$ N/A Ded. Comp., Fire & Theft	Term N/A	Mos. \$ N/A	Premium N/A
\$ N/A Ded. Collision	N/A	Mos. \$ N/A	N/A
Bodily Injury \$ N/A Limits	N/A	Mos. \$ N/A	N/A
Property Damage \$ N/A Limits	N/A	Mos. \$ N/A	N/A
Medical N/A	N/A	Mos. \$ N/A	N/A
N/A	N/A	Mos. \$ N/A	N/A
Total Vehicle Insurance Premiums			\$ N/A
UNLESS A CHARGE IS INCLUDED IN THIS AGREEMENT FOR PUBLIC LIABILITY OR PROPERTY DAMAGE INSURANCE, PAYMENT FOR SUCH COVERAGE IS NOT PROVIDED BY THIS AGREEMENT.			
You may buy the physical damage insurance this contract requires from anyone you choose who is acceptable to us. You are not required to buy any other insurance to obtain credit.			
Buyer <input checked="" type="checkbox"/> _____ Co-Buyer <input checked="" type="checkbox"/> _____ Seller <input checked="" type="checkbox"/> _____			

YOUR PAYMENT SCHEDULE WILL BE:		
Number of Payments:	Amount of Payments:	When Payments Are Due:
One Payment of	N/A	N/A
One Payment of	N/A	N/A
One Payment of	N/A	N/A
N/A	20,999.99	Monthly beginning 07/29/19
N/A	N/A	N/A
One final payment	20,999.99	07/29/19

Late Charge. If payment is not received in full within 10 days after it is due, you will pay a late charge of 5% of the part of the payment that is late.
Prepayment. If you pay early, you may be charged a minimum finance charge.
Security Interest. You are giving a security interest in the vehicle being purchased.
Additional Information: See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date, minimum finance charges, and security interest.

Agreement to Arbitrate: By signing below, you agree that, pursuant to the Arbitration Provision on page 7 of this contract, you or we may elect to resolve any dispute by neutral, binding arbitration and not by a court action. See the Arbitration Provision for additional information concerning the agreement to arbitrate.

Buyer Signs X _____
 Co-Buyer Signs X _____

AUTO BROKER FEE DISCLOSURE
If this contract reflects the retail sale of a new motor vehicle, the sale is not subject to a fee received by an autobroker from us unless the following box is checked:
<input type="checkbox"/> Name of autobroker receiving fee, if applicable: <u>N/A</u>

Buyer Signs X _____ Co-Buyer Signs X _____

ITEMIZATION OF THE AMOUNT FINANCED (Seller may keep part of the amounts paid to others.)

1. Total Cash Price

A. Cash Price of Motor Vehicle and Accessories \$ 19,409.75 (A)

1. Cash Price Vehicle \$ 19,409.75

2. Cash Price Accessories \$ N/A

3. Other (Nontaxable) \$ N/A

Describe N/A

Describe N/A

B. Document Processing Charge (not a governmental fee) \$ 85.00 (B)

C. Emissions Testing Charge (not a governmental fee) \$ 58.25 (C)

D. (Optional) Theft Deterrent Device(s)

1. (paid to) N/A \$ N/A (D1)

2. (paid to) N/A \$ N/A (D2)

3. (paid to) N/A \$ N/A (D3)

E. (Optional) Surface Protection Product(s)

1. (paid to) N/A \$ N/A (E1)

2. (paid to) N/A \$ N/A (E2)

F. EV Charging Station (paid to) N/A \$ N/A (F)

G. Sales Tax (on taxable items in A through F) \$ 1,416.99 (G)

H. Electronic Vehicle Registration or Transfer Charge (not a governmental fee) (paid to) MVSC \$ 30.00 (H)

I. (Optional) Service Contract(s)

1. (paid to) N/A \$ N/A (I1)

2. (paid to) N/A \$ N/A (I2)

3. (paid to) N/A \$ N/A (I3)

4. (paid to) N/A \$ N/A (I4)

5. (paid to) N/A \$ N/A (I5)

J. Prior Credit or Lease Balance (e) paid by Seller to Vehicle 1 N/A Vehicle 2 N/A \$ N/A (J)

(see downpayment and trade-in calculation)

K. (Optional) Debt Cancellation Agreement \$ N/A (K)

L. (Optional) Used Vehicle Contract Cancellation Option Agreement \$ N/A (L)

M. Other (paid to) N/A \$ N/A (M)

For N/A

N. Other (paid to) N/A \$ N/A (N)

For N/A

Total Cash Price (A through N) \$ 20,999.99 (1)

2. Amounts Paid to Public Officials

A. Vehicle License Fees \$ N/A (A)

B. Registration/Transfer/Titling Fees N/A \$ N/A (B)

C. California Tire Fees \$ N/A (C)

D. Other N/A \$ N/A (D)

Total Official Fees (A through D) \$ N/A (2)

3. Amount Paid to Insurance Companies
(Total premiums from Statement of Insurance) \$ 0.00 (3)

4. State Emissions Certification Fee or State Emissions Exemption Fee \$ N/A (4)

5. **Subtotal (1 through 4)** \$ 20,999.99 (5)

6. Total Downpayment

A. Total Agreed Value of Property Being Traded-In (see Trade-In Vehicle(s)) \$ N/A (A)

Vehicle 1 \$ N/A Vehicle 2 \$ N/A

B. Total Less Prior Credit or Lease Balance (e) \$ N/A (B)

Vehicle 1 \$ N/A Vehicle 2 \$ N/A

C. Total Net Trade-In (A-B) (indicate if negative number) \$ N/A (C)

Vehicle 1 \$ N/A Vehicle 2 \$ N/A

D. Deferred Downpayment Payable to Seller \$ N/A (D)

E. Manufacturer's Rebate \$ N/A (E)

F. Other N/A \$ N/A (F)

G. Cash, Cash Equivalent, Check, Credit Card, or Debit Card \$ N/A (G)

Total Downpayment (C through G) \$ 0.00 (6)

(If negative, enter zero on line 6 and enter the amount less than zero as a positive number on line 1J above)

7. Amount Financed (5 less 6) \$ 20,999.99 (7)

OPTIONAL SERVICE CONTRACT(S) You want to purchase the service contract(s) written with the following company(ies) for the term(s) shown below for the charge(s) shown in item 1I.

I1 Company N/A
Term N/A Mos. or N/A Miles

I2 Company N/A
Term N/A Mos. or N/A Miles

I3 Company N/A
Term N/A Mos. or N/A Miles

I4 Company N/A
Term N/A Mos. or N/A Miles

I5 Company N/A
Term N/A Mos. or N/A Miles

Buyer X _____

OPTIONAL DEBT CANCELLATION AGREEMENT. A debt cancellation agreement is not required to obtain credit and will not be provided unless you sign below and agree to pay the extra charge. If you choose to buy debt cancellation, the charge is shown in item 1K of the Itemization of Amount Financed. See your debt cancellation agreement for details on the terms and conditions it provides. It is a part of this contract.

Term N/A Mos. N/A

Debt Cancellation Agreement

I want to buy a debt cancellation agreement.

Buyer Signs X _____

Trade-In Vehicle(s)

1. Vehicle 1

Year N/A Make N/A

Model N/A Odometer N/A

VIN N/A

a. Agreed Value of Property \$ N/A

b. Buyer/Co-Buyer Retained Trade Equity \$ N/A

c. Agreed Value of Property Being Traded-In (a-b) \$ N/A

d. Prior Credit or Lease Balance \$ N/A

e. Net Trade-In (c-d) (must be ≥ 0 for buyer/co-buyer to retain equity) \$ N/A

2. Vehicle 2

Year N/A Make N/A

Model N/A Odometer N/A

VIN N/A

a. Agreed Value of Property \$ N/A

b. Buyer/Co-Buyer Retained Trade Equity \$ N/A

c. Agreed Value of Property Being Traded-In (a-b) \$ N/A

d. Prior Credit or Lease Balance \$ N/A

e. Net Trade-In (c-d) (must be ≥ 0 for buyer/co-buyer to retain equity) \$ N/A

Total Agreed Value of Property Being Traded-In (1c+2c) \$ N/A*

Total Prior Credit or Lease Balance (1d+2d) \$ N/A*

Total Net Trade-In (1e+2e) \$ N/A*

(*See item 6A-6C in the Itemization of Amount Financed)

OPTION: You pay no finance charge if the Amount Financed, item 7, is paid in full on or before N/A, Year N/A.

SELLER'S INITIALS _____

Buyer Signs X _____ Co-Buyer Signs X _____



USED

2012 Ford F-150 Harley-Davidson

62,228 miles FAIR PRICE

\$29,693

Sold by Modesto Toyota

(4.8) 533 Reviews



Vehicle History

Call

Chat

Check Availability

Seller

Modesto Toyota

(4.8) 533 Reviews

4513 McHenry, Modesto, CA 95356

Interested in this car? Reach out.

Consumer Reviews

of the 2012 Ford F-150

★★★★★ 4.5

Average based on 204 reviews

Comfort	5 / 5 stars
Performance	5 / 5 stars
Exterior Styling	5 / 5 stars
Interior Design	5 / 5 stars
Value for the Money	4 / 5 stars
Reliability	5 / 5 stars

Read about 2012 Ford F-150

Feedback

www.NapaFord.com



(707)255-2580

USED

2011 Ford F-150 FX4

60,815 miles



GOOD DEAL

\$27,895

Sold by Napa Ford

(4.8) 171 Reviews



Vehicle History

Call

Chat

Check Availability

Seller

Napa Ford

(4.8) 171 Reviews

570 Soscol Ave, Napa, CA 94559

Interested in this car? Reach out.

Consumer Reviews

of the 2011 Ford F-150

★★★★★ 4.5

Average based on 223 reviews

Comfort	5 / 5 stars
Performance	5 / 5 stars
Exterior Styling	5 / 5 stars
Interior Design	5 / 5 stars
Value for the Money	4 / 5 stars
Reliability	5 / 5 stars

Read about 2011 Ford F-150

Feedback

Reviewed by:  City Administrator

Motion only
 Public Hearing
 Resolution
 Ordinance
 Information

Submitted by: Heidi Whitlock, Assistant to the City Administrator

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Consider Purchase of Hangar #24 at the Susanville Municipal Airport

PRESENTED BY: Michael Wilson, City Administrator

SUMMARY: As part of the agreement between the City of Susanville and those currently owning hangars at the Susanville Municipal Airport, the City has first right of refusal when a current owner decides to sell his/her hangar. At this time, Sandra and Eric Thompson, owners of Hangar #24, submitted their official notice of intent to sell said hangar for the price of \$45,000.

FISCAL IMPACT: \$45,000 if purchased.

ACTION REQUESTED: Direction to staff.

ATTACHMENTS: Official intent to sell from Sandra and Eric Thompson

To City Council of Susanville

Dear Council

We are writing this letter
as per our phone call from
Heidi Whitlock assistant to
the City Administrator

This is our offer to you
of first right of refusal on
our hangar # 24 at Susanville
Airport. We have an offer
to buy it from James
Hoepfner for \$45,000.

Thank you for your
time and look forward
to hearing back from

you

[Signature]
Sandra Thompson

P.O. Box 707
Chester, Ca. 96020

530-258-7124 530-816-0037

AGENDA ITEM NO 12A

Reviewed by: AJ City Administrator

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Kevin Jones, Police Chief

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Amendment to School Resource Officer Agreement

PRESENTED BY: Kevin Jones, Police Chief

SUMMARY: The City Council provided the Chief and City Administrator permission to negotiate an altered staffing plan with the Lassen Union High School District for services of a School Resources officer until appropriate staffing permits assigning a full-time SRO to LHS. A tentative agreement has been met with the School Administrator and is subject to City Council and LUHSD Board approval.

FISCAL IMPACT: Reduction in revenue at \$388.89 per day for each day the SRO is not dedicated to the School.

ACTION

REQUESTED: Council approve amendment to SRO Agreement with LUHSD.

ATTACHMENTS: Amended Agreement LUHSD/City of Susanville

AMENDMENT NO. 1
TO CONTRACT BETWEEN
THE CITY OF SUSANVILLE POLICE DEPARTMENT
AND
LASSEN UNION HIGH SCHOOL DISTRICT

WHEREAS, an agreement was entered into the ____ day of April 2019 by and between the City of Susanville Police Department and Lassen Union High School District; and

WHEREAS, the Agreement provides that either the City or the District may reopen the Agreement at any time for the purpose of negotiating fees for the services performed under the Agreement; and

WHEREAS, the parties wish to modify fees of their Agreement due to temporary staffing shortages within the Susanville Police Department; and

WHEREAS, the agreement provides for amendments;

NOW, THEREFORE, the parties hereto agree to the following:

The section entitled COMPENSATION shall be amended to read as follows:

For the services agreed to be performed under this Agreement, the District shall pay the City the corresponding amount for each year, payable in equal quarterly payments:

2018/19 \$68,671.50
2019/20 \$70,000.00
2020/21 \$70,000.00

For any school day that the City does not provide a “dedicated” SRO to the District, the District shall deduct \$388.89 from the quarterly payments. There shall be no deductions from the quarterly payments for days the “dedicated” SRO is on a regularly scheduled vacation, holiday or sick leave.

For any school day that the City does not provide a “dedicated” SRO to the District due to the City sending the SRO to training, the District shall deduct \$388.89 from the quarterly payments. There shall be no deductions from the quarterly payments for training that is preapproved by the District and is beneficial to the position of SRO.

A “dedicated” SRO is the career law enforcement officer, as defined by Penal Code Section 830.1, assigned by the City to the LUHSD to perform services under this Agreement.

It is agreed that the City or the District may reopen this contract at any time for the purpose of negotiating fees for the services performed under this Agreement.

In all other respects, the terms of the agreement are affirmed.

IN WITNESS WHEREOF, the parties hereby have caused this Amendment No. 1 to be executed on this ____ day of _____, 2019.

CITY OF SUSANVILLE

LASSEN UNION HIGH SCHOOL DISTRICT

Mike Wilson, City Administrator

Bill McCabe, Superintendent

Kevin L. Jones, Chief of Police

Attest:

Gwenna MacDonald, City Clerk

Reviewed by: _____ City Administrator

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Kevin Jones, Police Chief

Action Date: August 7, 2019

CITY COUNCIL AGENDA ITEM

SUBJECT: Evaluation of Body Worn Cameras

PRESENTED BY: Kevin Jones, Police Chief

SUMMARY: The Police Chief will give an update on the progress of the Visual Labs Body Worn Computers.

FISCAL IMPACT: None.

ACTION REQUESTED: None.

ATTACHMENTS: None.