

# **Memorandum of Understanding**

**For**

**Santa Ana Workforce Development Board  
and the  
County of Orange Social Services Agency**

## **MEMORANDUM OF UNDERSTANDING**

### **1. LEGAL AUTHORITY**

The Workforce Innovation and Opportunity Act (“WIOA”) sec. 121(c)(1) requires that each Local Workforce Development Area develop and enter into a Memorandum of Understanding (“MOU”) with each America’s Job Center of California (“AJCC”) Partner, consistent with WIOA Sec. 121(c)(2). This requirement is further described in the WIOA; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the AJCC System Joint Provisions: Final Rule at 20 Code of Federal Regulations (CFR) 678.500, 34 CFR 361.500, and 34 CFR 463.500, and in Federal guidance.

Additionally, the sharing and allocation of infrastructure costs among AJCC Partners is governed by WIOA sec. 121(h), its implementing regulations, and the Federal Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR part 200.

### **2. PARTIES**

The parties to this MOU are the City of Santa Ana, the Santa Ana Workforce Development Board (“SAWDB”), and the County of Orange Social Services Agency (“SSA”), a collocated one-stop AJCC Partner located at the Santa Ana WORK Center, 801 W. Civic Center Drive, Suite 200, Santa Ana, CA 92701.

### **3. PURPOSE**

The purpose of the MOU is consistent with the provisions of WIOA sec. 121(c)(1), to establish a cooperative working relationship between the SAWDB and SSA, the collocated AJCC Partner, and to define their respective roles and responsibilities concerning the operation of the AJCC as it relates to shared services and customers. It serves to establish the framework for providing services to employers, employees, job seekers and others needing workforce services. It also serves to establish a framework to support the established service delivery through the sharing of resources and costs.

### **4. DURATION**

The term of this MOU shall commence on July 1, 2025, and end on June 30, 2028, unless earlier terminated pursuant to the provisions of Paragraph 31 of this MOU; however, the Parties shall be obligated to perform such duties as would normally extend beyond this term, including, but not limited to, obligations with respect to indemnification, reporting and confidentiality.

This MOU will be reviewed not less than once every three years to ensure appropriate funding and delivery of services and to identify any substantial changes that require modification of this MOU. This MOU will remain in effect until the termination date, unless one of the conditions in Paragraph 31 occurs.

## **5. MODIFICATIONS AND REVISIONS**

This MOU and its Attachments 1, 2, 3, 3-1, 4, 5 and 6 constitute the entire agreement between the parties, and no oral understanding not incorporated herein shall be binding on any of the parties hereto. This MOU may be modified, altered, or revised, as necessary, by mutual consent of the parties, by the issuance of a written amendment, signed and dated by the parties, which may require approval by the governing body of each Party. Assignment of responsibilities under this MOU by any of the parties shall require prior written notice and preapproval of all parties. Any assignee shall also commit in writing to the terms of this MOU.

## **6. SANTA ANA WORKFORCE DEVELOPMENT STRATEGIES**

Santa Ana's vision rests on integrating current and future resources through its SAWDB Partners. Integration suggests more than partnering or assembling multiple funding sources. It means making certain that all elements of the workforce support system work together to create inviting and seamless services wherever a client enters the system. Santa Ana's vision is sensitive to the needs of its unique demographics. The SAWDB's overall strategies include:

- a) Identifying regional industry clusters (e.g., manufacturing cluster, medical cluster, etc.) to create new jobs in which Santa Ana's workforce can participate;
- b) Expanding small business development support as a creator of new jobs and method for growing the local tax base;
- c) Educating Santa Ana's current and future workforce through classroom pre-training and training activities, plus on-the-job training and workforce skill enhancement activities;
- d) Offering career pathway programs for both unemployed and employed adults and youth;
- e) Increasing access to jobs for disconnected and underserved populations, especially youth;
- f) Organizing, integrating and supporting social and other services through the SAWDB's network of partnerships, volunteer organizations, and established institutional resources; and,
- g) Assuring funding from all public, private, and other sources in support of its programs.

## **7. ONE-STOP SYSTEM & SERVICES**

### **A. LOCATION**

The AJCC is currently located in Santa Ana as follows:

American Job Center (Comprehensive AJCC)  
 Santa Ana WORK CENTER  
 801 W. Civic Center Drive, Suite 200  
 Santa Ana, CA 92701  
 (714) 565-2600  
 Open to the Public: Monday – Friday 8:00 am-5:00 pm

The AJCC is currently located at the Santa Ana WORK Center (“SAWC”) as described in the Location of AJCC and all Partners, attached herein as Attachment 1 and incorporated herein by reference. Santa Ana ranks as the fourth densest city in the entire nation. SAWC, through its central location in downtown Santa Ana, shall provide and/or coordinate WIOA services to individuals, providing them with the necessary skills to participate in building a world-class workforce in Santa Ana. The SAWC offers the community a variety of informational, employment and training services based on individual needs. Those needs are met by the combined efforts of the SAWC Partners as described by the Santa Ana AJCC Partner Services, included herein as Attachment 2 and incorporated herein by reference.

## **B. SERVICES PROVIDED AT THE SANTA ANA WORK CENTER**

Services and referrals provided at the SAWC by AJCC Partners may include, but are not limited to, the following:

### **1. Basic Career Services:**

- a. Eligibility determination;
- b. Outreach, intake, and orientation to information and services;
- c. Initial assessment of skill levels, including: literacy, numeracy, and English proficiency; and, aptitudes, abilities, and support service needs;
- d. Labor exchange services, including:
  - i. Job vacancy listings in labor market areas;
  - ii. Information on job skills needed to obtain the vacant jobs; and,
  - iii. Information relating to in-demand occupations, including earnings and opportunities for advancement;
- e. Provision of performance and program cost information on the Eligible Training Provider List eligible programs by program and type of provider;
- f. Provision of information in acceptable formats and languages that identify actual performance against performance accountability measures;
- g. Provision of information related to support services;
- h. Provision of information and assistance in filing Unemployment Insurance claims; and
- i. Assistance in establishing eligibility for programs of financial aid assistance for training and education programs not funded through WIOA.

### **2. Individualized Career Services:**

- a. Comprehensive and specialized assessment of skill levels and service needs including: Diagnostic testing; and, other assessment tools;
- b. In-depth interview and evaluation to determine barriers and goals;
- c. Development of Individual Employment Plan to identify goals, objectives, and services;
- d. Group counseling;
- e. Individual counseling;
- f. Career planning;
- g. Short-term pre-vocational services, including: development of learning skills; communication skills; and, other soft skills to prepare individuals for employment or training;

- h. Workforce preparation activities, including basic academic; and, obtaining other skills necessary for successful transition into postsecondary education, training or employment;
- i. Financial literacy services; and,
- j. Out-of-area job search assistance and relocation assistance.

### **3. Training Services:**

- a. Occupational skills training;
- b. On-the-Job training;
- c. Incumbent worker training;
- d. Programs that combine workplace training with related instruction, which may include cooperative education programs;
- e. Training programs operated by the private sector;
- f. Skill upgrading and retraining;
- g. Entrepreneurial training programs;
- h. Transitional jobs;
- i. Job readiness training provided in combination with any of the aforementioned training Services;
- j. Adult education and literacy activities, including: activities of English language acquisition; and, integrated education and training programs provided concurrently or in combination with any of the aforementioned training services;
- k. Customized training;
- l. Internships and work experiences that are linked to careers; and,
- m. English language acquisition and integrated education and training program.

### **4. Employer Services:**

- a. Recruitment and other business services on behalf of employers.

## **C. SYSTEM STRUCTURE**

### **1. AJCC ONE-STOP OPERATOR PROCUREMENT**

The SAWDB will procure the AJCC Operator through a competitive process in accordance with the Uniform Guidance Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR part 200 (Uniform Guidance), including the Office of Management and Budget's (OMB) approved exceptions for the U.S. Department of Labor at 2 CFR part 2900, WIOA and its implementing regulations, and local procurement laws and regulations. All documentation for the competitive AJCC operator procurement will be available for public inspection. The State requires that the AJCC operator is re-competed at least every three years and no later than every four years.

### **2. ROLES AND RESPONSIBILITIES OF PARTIES**

#### ***a. Provision of Applicable Career Services and Participation in Planning and Development:***

The parties to this MOU will work closely together to ensure that the AJCC is a high-performing workplace with staff that ensure quality of service. The AJCC Partner has indicated they shall

provide an array of applicable career services to clients as set forth in Attachment 2. The AJCC Partner agrees to the responsibilities required of all Partners under WIOA Section 121(b). In addition, the AJCC Partners will participate in joint planning, plan development, and modification of activities to accomplish the following:

- i. Continuous partnership building;
- ii. Continuous planning in response to state and federal requirements; and,
- iii. Responsiveness to local and economic conditions, including employer needs.

Parties agree to the co-enrollment of mutual customers in case management to better leverage the resources available for the benefit of the participant and enhance successful outcomes and participate in the operation of the one-stop system consistent with the terms of the MOU and requirements of authorized laws.

Parties agree to collaborate and reasonably assist each other in the development of necessary service delivery protocols for the services outlined in this MOU.

Parties agree that the provisions contained herein are made subject to all applicable federal and state laws, implementing regulations, and guidelines imposed on either or all the parties relating to privacy rights of customers, maintenance of records, and other confidential information relating to customers.

Parties agree that all equipment and furniture purchased by any party for purposes described herein shall remain the property of the purchaser after the termination of this MOU.

***b. Parties shall comply with:***

- i. Section 188 of the WIOA Nondiscrimination and Equal Opportunity Regulations (29 CFR Part 38; Final Rule, published December 2, 2016);
- ii. Title VI and VII of the Civil Rights Act of 1964 (Public Law 88-352), as amended;
- iii. Section 504 of the Rehabilitation Act of 1973, as amended;
- iv. The Americans with Disabilities Act of 1990, as amended;
- v. The Jobs for Veterans Act (Public Law 107-288) pertaining to priority of service in programs funded by the U.S. Department of Labor;
- vi. Training and Employment Guidance Letter (TEGL) 37-14, Update on Complying with Nondiscrimination Requirements: Discrimination Based on Gender Identity, Gender Expression and Sex Stereotyping are Prohibited Forms of Sex Discrimination in the Workforce Development System and other guidance related to implementing WIOA sec. 188;
- vii. The Non-traditional Employment for Women Act of 1991;
- viii. The Age Discrimination Act of 1967, as amended;

- ix. The Age Discrimination Act of 1975, as amended;
- x. Title IX of the Education Amendments of 1972, as amended;
- xi. The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR part 99);
- xii. Title IX of the Education Amendments of 1972, as amended;
- xiii. Confidentiality requirements governing the protection and use of personal information held by the VR agency (34 CFR 361.38);
- xiv. The confidentiality requirements governing the use of confidential information held by the State UI agency (20 CFR part 603); and,
- xv. All amendments to each, and all requirements imposed by the regulations issued pursuant to these acts.

The Parties agree to inform each other immediately when a customer violates an established policy that would require them to be banned from the center or activity that requires police intervention.

## **8. SSA RESPONSIBILITIES AS COLLOCATED AJCC PARTNER**

SSA commits to collocation of staff, as appropriate, and to providing other professional learning opportunities that promote continuous quality improvement. SSA will further promote system integration to the maximum extent feasible and as authorized by applicable state and federal law through:

- a. Effective communication, information sharing as authorized by law, and collaboration with the AJCC operator;
- b. Joint planning, policy development, and system design processes;
- c. Commitment to the joint mission, vision, goals, strategies, and performance measures;
- d. The design and use of common intake, assessment, referral, and case management processes;
- e. As authorized by law, the use of common and/or linked data management systems and data sharing methods, as appropriate;
- f. Leveraging of resources, including other public agency and non-profit organization services;
- g. Participation in a continuous improvement process designed to boost outcomes and increase customer satisfaction; and

- h. Participation in regularly scheduled Partner meetings to exchange information in support of the above and encourage program and staff integration.

SSA shall provide applicable career services to clients as set forth in the Santa Ana AJCC Partner Services.

## **9. REFERRALS**

The primary principle of the referral system is to provide integrated and seamless delivery of services to customers. In order to facilitate such a system, Partners will ensure and agree to:

- a. Familiarize themselves with the basic eligibility and participation requirements, as well as with the available services and benefits offered, for each of the Partners' programs represented in the AJCC network;
- b. Develop materials summarizing their program requirements and making them available for Partners and customers;
- c. Provide referrals when appropriate to customers who are eligible for supplemental and complementary services and benefits under Partner programs;
- d. Regularly evaluate referral process;
- e. Commit to share the results of referrals when requested;
- f. Ensure that general information regarding AJCC programs, services, activities, and resources shall be made available to all customers as appropriate;
- g. Ensure that referrals will be made via email, or other electronic means;
- h. Ensure that referrals will include access to other AJCC Partner staff, when appropriate, that can provide meaningful information or service to customers; and
- i. Ensure that the referral will include referring agency staff name, the activity required, desired outcome and a method for communicating back to the referring agency that the service need was addressed.

## **10. SUPERVISION/DAY-TO-DAY OPERATIONS**

### *a. Day-to-Day Supervision*

The day-to-day supervision of staff assigned to the AJCCs will be the responsibility of the site supervisor(s). SSA will continue to set the priorities of its staff assigned to the AJCC. Any change in work assignments or any concerns involving the responsibilities of the parties which occur at the worksite will be handled by the site supervisor(s) and SSA management.



*b. Santa Ana WORK Center Hours of Operation*

The SAWC is open for business: Monday through Friday from 8:00 am until 5:00 pm.

*c. SSA Staff Office Hours*

The office hours for SSA staff at the AJCC will be established by SSA. All SSA staff will comply with the County of Orange holiday schedule and will provide a copy of their holiday schedule to the SAWDB and SAWC at the beginning of each fiscal year.

*d. Building Accessibility*

All Partner staff assigned to the SAWC will be issued an access card to SAWC suite 200 and a parking lot pass that allows them to enter and exit the parking lot. It is all individual staff's responsibility to keep them secure. Should they damage or lose them they can be replaced by the SAWDB at the expense of the individual agency staff.

*e. Benefits*

Each party shall be solely liable and responsible for providing to, or on behalf of, its employee(s), all legally required employee benefits. In addition, each party shall be solely responsive and hold all other parties harmless from all matters relating to payment of each party's employee(s), including compliance with social security withholding, workers' compensation, and all other regulations governing such matters.

**11. AJCC OPERATING BUDGET**

The purpose of Paragraph 11 is to establish a financial plan, including terms and conditions, to fund the services and operating costs of the local AJCC. The parties to this MOU agree that joint funding is a necessary foundation for an integrated service delivery system. The goal of the operating budget is to develop a funding mechanism that:

- a. Establishes and maintains the Local workforce delivery system at a level that meets the needs of the job seekers and businesses in the Local area;
- b. Reduces duplication and maximizes program impact through the sharing of services, resources, and technologies among Partners (thereby improving each program's effectiveness);
- c. Reduces overhead costs for any one Partner by streamlining and sharing financial, procurement, and facility costs;
- d. Ensures that costs are appropriately shared by AJCC Partners by determining contributions based on the proportionate use of the AJCC centers and relative benefits received, and requiring that all funds are spent solely for allowable purposes in a manner consistent with the applicable authorizing statutes and all other applicable legal requirements, including the Uniform Guidance; and,

- e. All parties will meet and confer regarding replacement, acquisition, cleaning and maintenance of furnishings.

The parties consider this AJCC operating budget the master budget that is necessary to maintain the SAWDB's high-standard AJCC. It includes the following cost categories, as required by WIOA and its implementing regulations:

- a. Infrastructure costs (also separately outlined below in the Infrastructure Funding Agreement);
- b. Career services; and
- c. Shared services.

All costs must be included in the MOU, allocated according to the AJCC Partner's proportionate use and relative benefits received, reconciled every six (6) months against actual costs incurred, and adjusted accordingly. The AJCC operating budget is expected to be transparent and negotiated among Partners on an equitable basis to ensure costs are shared appropriately. All Partners must negotiate in good faith and seek to establish outcomes that are reasonable and fair. All Partners must adhere and reference the rules and regulations included in the executed Office Lease, attached hereto as Attachment 5 and incorporated herein by reference. SSA may be allocated additional space, with mutual consent of both parties, at which time the Office Lease may be amended.

## **12. INFRASTRUCTURE FUNDING AGREEMENT**

The Infrastructure Funding Agreement ("IFA") contains the infrastructure costs budget that is an integral component of the overall AJCC operating budget. The IFA is a mandatory component of the local MOU, described in WIOA sec. 121(c) and 20 CFR 678.500 and 678.755. The IFA contains the AJCC Comprehensive Infrastructure Budget, and Other System Cost Budget, included herein as Attachment 3 and incorporated herein by reference, that is an integral component of the overall AJCC operating budget. The other component of the IFA is the Applicable Career Services, attached herein as Attachment 3-1 and incorporated herein by reference, which includes the shared operating costs and shared services. The overall AJCC operating budget includes the Comprehensive Cost Allocation and Partner Contributions, attached herein as Attachment 4 and incorporated herein by reference.

AJCC infrastructure costs are defined as non-personnel costs that are necessary for the general operation of the AJCC, including, but not limited to:

- a. Rental of the facilities;
- b. Utilities and maintenance;
- c. Equipment, including assessment-related products and assistive technology for individuals with disabilities; and,

- d. Technology to facilitate access to the AJCC, including technology used for the center's planning and outreach activities.

Changes in the AJCC Partners or an appeal by an AJCC Partner's infrastructure cost contributions will require an amendment of the MOU.

### **13. COST ALLOCATION METHODOLOGY**

The purpose of this infrastructure cost sharing methodology is to summarize, in writing, the methods and procedures that the SAWDB will use to share costs with the AJCC Partner. The AJCC Partner agrees that it will be charged on a monthly basis according to the following cost sharing methodology, and that monthly payment will be submitted within the first ten (10) calendar days of each month.

### **14. INFRASTRUCTURE COST ALLOCATION METHODOLOGY**

- a. Rent Costs: Rent costs shall be based only on the base rent. The base rent is derived from the total assigned square footage, calculating the percentage of usage by each AJCC Partner and applying that percentage to the common area square footage. Assigned square footage plus the percentage of common area square footage equals total square footage for each AJCC Partner. Total square footage for each AJCC Partner multiplied by the base rent per square foot equals total base rent for each AJCC Partner as indicated in the AJCC Comprehensive Infrastructure Budget, and Other System Cost Budget and the Comprehensive Cost Allocation and Partner Contributions. The base rent has an annual increase of 3% over the ten (10)-year life of the Office Lease document (Attachment 5 attached herewith and incorporated herein by reference).
- b. Utilities and Maintenance: This Paragraph includes only telephone services, which includes voicemail on AJCC Partners' phones. Costs for staff phones are charged based on the AJCC Partner's assigned space. Common area phones will be charged according to space allocation.
- c. Telephones: Telephone costs are based on the actual cost for telephones in assigned spaces. Common area telephones are allocated based on percentage of space allocation.
- d. Technology and Internet Access Costs: Maintenance of Network Wireless Bridge will be a monthly charge based on costs from the vendors. The cost per AJCC Partner is derived from the calculation of total percentage of space used by each AJCC Partner. Recurring monthly charges for Internet, Wi-Fi and other technology charges are allocated based on the percentage of total space allocated.

### **15. INFRASTRUCTURE CONTRIBUTIONS**

The AJCC Partner may provide cash, non-cash (in-kind), and third-party in-kind contributions to cover its share of infrastructure costs. In-kind contributions cannot be used to fund non-infrastructure costs (such as personnel), and must be valued consistent with Uniform Guidance Section 200.306 to ensure such contributions are fairly evaluated and qualify for the AJCC

Partner's proportionate share.

If third-party in-kind contributions are made to support the AJCC as a whole (such as facility space), that contribution will not count toward the AJCC Partner's proportionate share of the infrastructure. Rather, the value of the contribution will be applied to the overall infrastructure budget prior to determining proportionate amounts and thereby reduce the contribution required for all AJCC Partners.

- a. Cash: Cash funds provided to the SAWDB, or its designee, by AJCC Partners, either directly or by an interagency transfer, or by a third party.
- b. Non-Cash: Expenditures incurred by AJCC Partners on behalf of the AJCC; and Non-cash contributions or goods or services contributed by a Partner program and used by the AJCC.
- c. Third-party In-kind: Contributions of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with AJCC operations, by a non-AJCC Partner to: support the AJCC in general or support the proportionate share of AJCC infrastructure costs of a specific Partner [20 CFR 678.720; 20 CFR 678.760; 34 CFR 361.720; 34 CFR 361.760; 34 CFR 463.720; and 34 CFR 463.760].

## 16. OTHER AJCC DELIVERY SYSTEM COSTS

In compliance with WIOA Joint Rule Section 678.760, the AJCC Partners will use a portion of funds made available under their authorizing federal statute (or fairly evaluated in-kind contributions) to share the additional costs relating to the operation of the One-Stop delivery system. These costs may be shared through cash, non-cash, or third-party in-kind contributions.

As required by Workforce Services Directive (WSD) 16-09, the amount of funds that the AJCC Partner has budgeted to expend on applicable career services and other shared services, which cumulatively with the other AJCC Partners budgeted amounts shall form the Comprehensive Cost Allocation and Partner Contributions.

- a. Career Services Applicable to the AJCC Partner: The AJCC Partner shall provide applicable career services to clients as set forth in the Santa Ana AJCC Partner Services. The agreed upon Applicable Career Services Budget is set forth in Attachment 3-1 attached hereto and incorporated herein by reference. This budget consists of the AJCC Partner's costs for the service delivery of each applicable career service indicated in the Santa Ana AJCC Partner Services.
- b. Required Consolidated Budget for the Delivery of "Applicable Career Services": The other system costs budget must be a consolidated budget for applicable career services. This budget must include each of the Partner's costs for the service delivery of each applicable career service and a consolidated system budget for career services applicable to more than one Partner as indicated in the Comprehensive Cost Allocation and Partner Contributions.

AJCC Partners understand that while only colocated Partners share infrastructure costs, at this time, all AJCC Partners must share in other System costs through non-cash (in-kind) contributions

as set forth herein.

## **17. DATA SHARING**

Parties shall abide by the requirements in Attachments 6.

## **18. PRESS RELEASES AND COMMUNICATIONS**

All parties shall be consulted and notified prior to communicating with the press, television, radio or any other form of media regarding its duties or performance under this MOU. Participation of each party in press/media presentations will be determined by each party's public relations policies.

The parties agree to utilize the AJCC logo developed by the State of California and the SAWDB on buildings identified for AJCC usage.

## **19. ACCESSIBILITY**

Accessibility to the services provided by the AJCCs and all Partner agencies is essential to meeting the requirements and goals of the local AJCC network. Job seekers and businesses must be able to access all information relevant to them via visits to physical locations as well as in virtual spaces, regardless of gender, age, race, religion, national origin, disability, veteran's status, or on the basis of any other classification protected under state or federal law.

## **20. NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

All parties to this MOU certify that they prohibit, and will continue to prohibit, discrimination, and they certify that no person, otherwise qualified, is denied employment, services, or other benefits on the basis of: (i) political or religious opinion or affiliation, marital status, sexual orientation, gender, gender identification and/or expression, race, color, creed, or national origin; (ii) sex or age, except when age or sex constitutes a bona fide occupational qualification; or (iii) the physical or mental disability of a qualified individual with a disability.

## **21. GRIEVANCES AND COMPLAINTS PROCEDURE**

The AJCC Partner agrees to establish and maintain a procedure for grievance and complaints as outlined in WIOA. The process for handling grievances and complaints is applicable to customers and Partners. These procedures will allow the customer or entity filing the complaint to exhaust every administrative level in receiving a fair and complete hearing and resolution of their grievance. The Partner further agrees to communicate openly and directly to resolve any problems or disputes related to the provision of services in a cooperative manner and at the lowest level of intervention possible. All Partners agree to inform each other immediately when a customer violates an established policy that would require them to be banned from the center or involves police authorities.

## **22. AMERICAN'S WITH DISABILITIES ACT AND AMENDMENTS COMPLIANCE**

The AJCC Partner agrees to ensure that the policies and procedures as well as the programs and

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services provided at the AJCC are in compliance with the Americans with Disabilities Act (“ADA”) and its amendments. Additionally, the SAWDB and the AJCC Partners will ensure that policies and procedures established by the SAWDB and the AJCC Partners are in compliance with the ADA.

### **23. HOLD HARMLESS/INDEMNIFICATION/LIABILITY**

In accordance with provisions of Section 895.4 of the California Government Code, each signatory hereby agrees to indemnify, defend and hold harmless all other signatories identified in this MOU from and against any and all claims, demands, damages and costs arising out of or resulting from any negligent acts or omissions which arise from the performance of the obligations by such indemnifying party pursuant to this MOU. In addition, except for Departments of the State of California which cannot provide for indemnification of court costs and attorney’s fees under the indemnification policy of the State of California, all signatories to this MOU agree to indemnify, defend and hold harmless each other from and against all court costs and attorney’s fees arising out of or resulting from any negligent acts or omissions which arise from the performance of the obligations by such indemnifying party pursuant to this MOU. It is understood and agreed that all indemnity provided herein shall survive the termination of this MOU.

### **24. SEVERABILITY**

If any part of this MOU is found to be null and void or is otherwise stricken, the rest of this MOU shall remain in force.

### **25. DRUG AND ALCOHOL-FREE WORKPLACE**

All parties to this MOU certify they will comply with the Drug-Free Workplace Act of 1988, 41 U.S.C. 702 et seq., and 2 CFR part 182 which require that all organizations receiving grants from any Federal agency maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for suspension or debarment under 2 CFR part 180, as adopted by the U.S. Department of Education at 2 CFR 3485, and the U.S. Department of Labor regulations at 29 CFR part 94.

### **26. CERTIFICATION REGARDING LOBBYING**

All parties shall comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. Section 1352), 29 C.F.R. Part 93, and 34 CFR part 82, as well as the requirements in the Uniform Guidance at 2 CFR 200.450. The parties shall not lobby federal entities using federal funds and will disclose lobbying activities as required by law and regulations.

### **27. DEBARMENT AND SUSPENSION**

All parties shall comply with the debarment and suspension requirements (E.O. 12549 and 12689) and 2 CFR part 180 and as adopted by the U.S. Department of Labor at 29 CFR part 2998 and by the U.S. Department of Education at 2 CFR 3485.

## **28. PRIORITY OF SERVICE**

All parties certify that they will adhere to all statutes, regulations, policies, and plans regarding priority of service, including, but not limited to, priority of service for veterans and their eligible spouses, and priority of service for the WIOA title I Adult program, as required by 38 U.S.C. sec. 4215 and its implementing regulations and guidance, and WIOA sec. 134(c)(3)(E) and its implementing regulations and guidance. Partners will target recruitment of special populations that receive a focus for services under WIOA, such as individuals with disabilities, low-income individuals, basic skills deficient youth, and English language learners.

## **29. BUY AMERICAN PROVISION**

Each party that receives funds made available under title I or II of WIOA or under the Wagner-Peyser Act (29 U.S.C. Section 49, et. seq.) certifies that it will comply with Sections 8301 through 8303 of title 41 of the United States Code (commonly known as the “Buy American Act.”) and as referenced in WIOA Section 502 and 20 CFR 683.200(f).

## **30. SALARY COMPENSATION AND BONUS LIMITATIONS**

Each party certifies that, when operating grants funded by the U.S. Department of Labor, it complies with TEGL 05-06, Implementing the Salary and Bonus Limitations in Public Law 109-234, TEGL 17-15, Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2017; Final PY 2017 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and Workforce Information Grants to States Allotments for PY 2017, Public Laws 114-113 (Division H, title I, Section 105) and 114-223, and WIOA section 194(15)(A), restricting the use of federal grant funds for compensation and bonuses of an individual, whether charged to either direct or indirect, at a rate in excess of the Federal Office of Personnel Management Executive Level II.

## **31. TERMINATION**

This MOU will remain in effect until the end date specified in Paragraph 4 above, unless:

- a. Federal oversight agencies charged with the administration of WIOA are unable to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this MOU succeeding the first fiscal period. Any party unable to perform pursuant to MOU due to lack of funding shall notify the other parties as soon as the party has knowledge that funds may be unavailable for the continuation of activities under this MOU;
- b. WIOA is repealed or superseded by subsequent federal law;
- c. Local area designation is changed under WIOA; and,
- d. A party breaches any provision of this MOU and such breach is not cured within thirty (30) days after receiving written notice from the SAWDB Chair (or designee) specifying such breach in reasonable detail. In such event, the non-breaching party(s) shall have the right

to terminate this MOU by giving written notice thereof to the party in breach, upon which termination will go into effect immediately.

In the event of termination, the parties to the MOU must convene within thirty (30) calendar days after the breach of the MOU to discuss the formation of the successor MOU. At that time, allocated costs must be addressed.

This MOU is of no force or effect until signed by authorized representatives of the participating parties, and approved by the Chief Local Elected Official or his/her designee. The MOU, once signed, becomes part of the local WIOA Plan. Any party may withdraw from this MOU by giving written notice of intent to withdraw at least thirty (30) calendar days in advance of the effective withdrawal date. If agreed to by all parties, the timeframes for notice may be reduced or extended. Notice of withdrawal shall be given to the SAWDB at the address listed in the signed attachments of this MOU, and to the contact person so listed, considering any information updates received by the parties, a courtesy notification shall be made to all parties of this MOU in a timely manner.

### **32. NOTICES**

All notices, requests, claims, correspondence, reports, statements authorized or required by this Agreement, and/or other communications shall be addressed as follows:

City of Santa Ana:     City of Santa Ana  
Administration Services  
801 W. Civic Center Dr., Suite 200  
Santa Ana, CA 92701

COUNTY:                County of Orange Social Services Agency  
Contracts Services 500 N. State  
College Blvd, Suite #100  
Orange, CA 92868

### **33. INSURANCE**

The AJCC Partners agree that their current in force insurance or self-insurance coverage programs shall apply to their operations performed under the Workforce Innovation Opportunity Act and at the SAWC, including commercial general liability, property damage liability, business personal property, workers' compensation and employee dishonesty/crime coverages. The City of Santa Ana shall be named as additional insured for such insurance and the coverage shall be primary and non-contributory with regard to the City.

### **34. AUTHORITY AND SIGNATURES**

The individuals signing this MOU and its attachments, which are incorporated herein by reference, have the authority to commit the party they represent to the terms of this MOU, and do so commit by signing.



**ATTACHMENTS**

Attachment 1: AJCC Partners Location and Map

Attachment 2: Santa Ana AJCC Partner Services

Attachment 3: AJCC Comprehensive Infrastructure Budget, and Other System Cost Budget

Attachment 3-1: Applicable Career Services

Attachment 4: Comprehensive Cost Allocation and Partner Contributions

Attachment 5: Office Lease

Attachment 6: State Privacy and Security Provisions

WHEREFORE, the parties hereto have executed this Agreement in the County of Orange, California.

**FOR THE CITY OF SANTA ANA**

**Attest:**

**City of Santa Ana:**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Manager


Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Recommended for Approval:**

**Approved as to Form:**

\_\_\_\_\_  
Executive Director  
Community Development Agency

  
\_\_\_\_\_  
Assistant City Attorney

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**FOR SANTA ANA WORKFORCE DEVELOPMENT BOARD**

\_\_\_\_\_  
Chair

\*\*\*\*\*

WHEREFORE, the parties hereto have executed this Agreement in the County of Orange, California.

**COUNTY OF ORANGE**

A Political Subdivision of the State of California

By: \_\_\_\_\_

CHAIRMAN  
OF THE BOARD OF SUPERVISORS  
COUNTY OF ORANGE, CALIFORNIA

Dated: \_\_\_\_\_

SIGNED AND CERTIFIED THAT A COPY OF THIS  
AGREEMENT HAS BEEN DELIVERED TO THE CHAIR  
OF THE BOARD PER G.C. SEC. 25103, RESO 79-1535  
ATTEST:

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Board  
County of Orange, California

APPROVED AS TO  
FORM COUNTY  
COUNSEL  
COUNTY OF ORANGE, CALIFORNIA

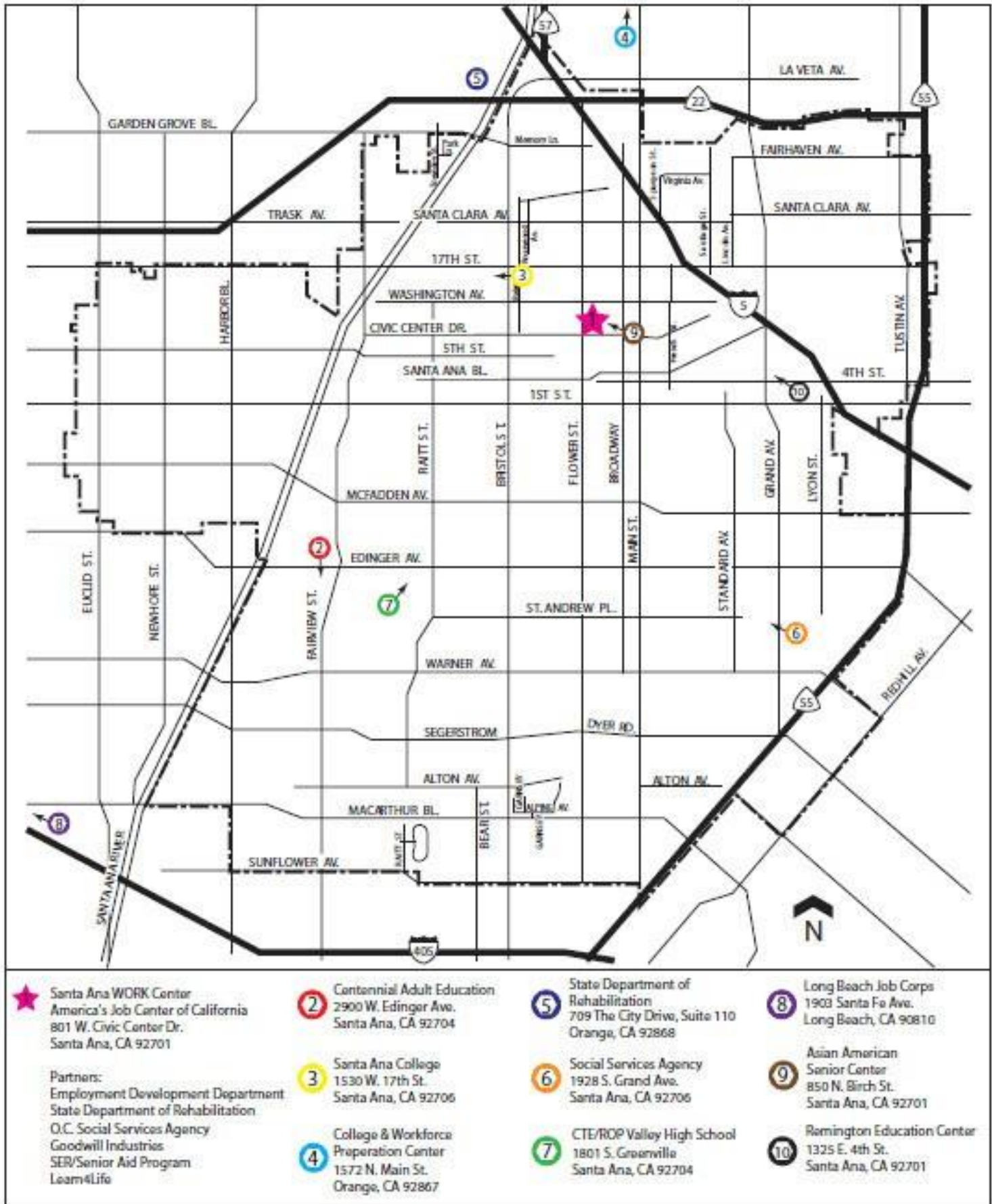
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## AJCC Partners Location and Map

Partner Program	Partner Organization	Authorization/Category	Physically Co-Located
<b>Title I Adult, Dislocated Workers and Youth programs</b>	City of Santa Ana	WIOA Title I Adult, Dislocated Workers, Youth Programs	Yes
Adult Education/ <b>Literacy and Carl Perkins Career Technical Education</b>	Rancho Santiago Community College District	WIOA title II Adult Education and Family Literacy Act (AEFLA) program	No
		Career and technical education (CTE) programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.)	
<b>Wagner-Peyser</b>	Employment Development Department (EDD)	WIOA title III Wagner-Peyser Employment Services, authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), also providing the state's public labor exchange.	Yes
<b>Veterans</b>	Employment Development Department (EDD)	Jobs for Veterans State Grants (JIVSG), authorized under chapter 41 of title 38, U.S.C.	Yes
<b>Trade Act</b>	Employment Development Department (EDD)	Trade Adjustment Assistance (TAA), authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.)	Yes
<b>Unemployment Insurance (UI)</b>	Employment Development Department (EDD)	Unemployment Insurance (UI) programs under state unemployment compensation laws.	No
<b>Vocational Rehabilitation Services</b>	State Department of Rehabilitation	WIOA title IV State Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.)	Yes
<b>Temporary Assistance for Needy Families (TANF)</b>	Social Service Agency-Family Self-Sufficiency	Temporary Assistance for Needy Families (TANF), authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)	Yes
Senior Aid Program	Senior Aid Program Regions II & 111 SER-Jobs for Progress, Inc.	Senior Community Service Employment Program (SCSEP), authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.)	Yes
Job Corps	Long Beach Job Corps	WIOA Title I C, Jobs Corps	No
Native American Programs	United American Indian Involvement, Inc.	Indian and Native American Programs (Section 166)	No
Housing & Urban Development	Santa Ana Housing Authority	Housing & Urban Development (HUD)	Yes
Adult Demonstration	Orange County Sheriff's Department	Reentry Employment Opportunities (EO) programs authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169	No

## AJCC Partners Location and Map



**SANTA ANA AJCC Partner Services**
**Attachment 2**

Partner Name	Entity/Program	SANTA ANA AJCC Partner Services			Service Delivery Method
		Career	Training	Employer	
Title I Adult, DW, Youth	City of Santa Ana	1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 5, 7, 9	1,2,3,4,5,6,7,8	FT, T, B, P, O
Adult Education/ Literacy	Rancho Santiago Community College District	2, 3, 12, 14-15, 17	1, 8		B, P, O
Wagner-Peyser	Employment Development Department (EDD)	1,2,3,4,5,6,8,9,10,17,		1,2,3,4,6,7,8	FT,PT,T,A,B,P,
Veterans (Jobs for Veterans State Grant)	Employment Development Department (EDD)	1,2,3,4,5,6,8,9,10,11, 12,13,14,15,16,17		1,2,3,4,6,7,	FT,T,A,B,P
Trade Act (Trade Adjustment Assistance)	Employment Development Department (EDD)	1,2,3,4,5,6,8,9,10,11,12,13,14,15,16,17	1,4,5,8,9	1,2,3,4,6,7,8	PT,T,A,B
Unemployment Compensation	Employment Development Department (EDD)	1,9		8	PT,T,A,B
Vocational Rehabilitation	State Department of Rehabilitation	1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17	DOR Eligible: 1, 2, 3, 4, 5, 6, 7, 8, 9,	1, 2, 4 DOR Eligible: 3, 5, 8	PT, FT
TANF	Social Service Agency-Family Self-Sufficiency	1,2,3,4,7,8,10,11,12,13,	1,3, 4,7,8		FT,T,A,B,P
Carl Perkins Career Technical Education	Rancho Santiago Community College District	2, 3, 12, 14-15, 17	1, 8		B, P, O
Title V Older Americans Act	Senior Aid Program Regions II & III SER-Jobs for Progress, Inc.	1,2,3,4,5,8,11,12,13,16	1,2,3,7	1,2,3,4,6, 7	PT, T, B
Job Corps	Long Beach Job Corps	2	1, 3, 7		T, B, P, O
Native American Programs (Section 166)	United American Indian Involvement, Inc.	1, 2, 3, 4			O, P, B,T
Housing & Urban Development	Housing Authority	2, 3, 4, 8, 10, 15			B, P, O

**SANTA ANA AJCC Partner Services**

**CAREER SERVICES:** Basic Career Services (BCS) include self-help service services requiring minimal staff assistance and Individualized Career Services (ICS) requiring more staff involvement generally provided to individuals unable to find employment through basic career services, and deemed to be in need of more concentrated services to obtain employment; or who are employed but deemed to be in need of more concentrated services to obtain or retain employment that allows for self-sufficiency.

**Basic Career Services**

1. **Eligibility Determination:** This is the process of obtaining and documenting information about an individual's circumstances and comparing that information with the criteria set by an agency or program to decide if the individual qualifies for participation.
2. **Outreach, Intake and Orientation:** Outreach activities involve the collection, publication, and dissemination of information on program services available and directed toward jobless, economically disadvantaged, and other individuals. Intake is the process of collecting basic information, e.g., name, address, phone number, SSN, and all other required information to determine eligibility or ineligibility for an individual's program. Orientation, whether offered in a group setting, one-on-one, or electronically, is the process of providing broad information to customers in order to acquaint them with the services, programs, staff, and other resources at the Santa Ana Work Center, or its partner agencies.
3. **Initial Assessment:** For individuals new to the workforce system, initial assessment involves the gathering of basic information about skill levels, aptitudes, abilities, barriers, and supportive service needs in order to recommend next steps and determine potential referrals to partners or community resources.
4. **Job Search, Placement Assistance, and Career Counseling:** Job Search helps an individual seek, locate, apply for, and obtain a job. It may include but is not limited to: job finding skills, orientation to the labor market, resume preparation assistance, referrals to job openings, placement services, job search workshops, vocational exploration, and re-employment services such as orientation, skills determination, and pre-layoff assistance. Placement Assistance is a service that helps people to identify and secure paid employment. Career Counseling is a facilitated exploration of occupational and industrial information.
5. **Employment Statistics-Labor Market Information:** Collect and report data about employment levels, unemployment rates, wages and earnings, employment projections, jobs, training resources and careers; (LMI)
6. **Eligible Provider performance and program Cost Information:** Collect and provide information on:
  - A. Eligible training service providers (described in WIOA Section 122)
  - B. Eligible youth activity providers (described in WIOA Section 123)

**SANTA ANA AJCC Partner Services**

- C. Eligible adult education providers (described in WIOA Title II).
- D. Eligible postsecondary vocational educational activities and vocational educational activities available to school dropouts under the Carl Perkins Act (20 USC 2301).
- E. Eligible vocational rehabilitation program activities (described in Title I of the Rehabilitation Act of 1973).

- 7. Local Performance Information:** Collect and provide information on the local area's recent performance measure outcomes.
- 8. Supportive Services' Information:** Collect and provide information on services such as transportation, child care, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate in employment and training activities.
- 9. Unemployment Compensation:** Collect and provide information on filing claims for state benefit payments that protect individuals from economic insecurity while they look for work. Claims may be filed on-line or via telephone available in the Santa Ana Work Center.
- 10. Eligibility Assistance:** Provide guidance to individuals on eligibility for other programs and on financial aid assistance for training and education programs that are available in the local area.
- 11. Follow-Up Services:** Services provided to participants who are placed in unsubsidized employment, for not less than 12 months after the first day of the employment. These services assist those individuals to maintain employment or qualify for promotions with that employment.

**Individualized Career Services**

- 12. Comprehensive and Specialized Assessments:** A closer look at the skills levels and service needs that may include:
  - A. Diagnostic Testing and use of other assessment tools; and
  - B. In-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

- 13. Individual Employment Plan Development:** Working with individuals to identify their employment goals, the appropriate achievement objectives, and the appropriate combination of services that will help the individual achieve those goals.

**14. Group Counseling**



**15. Individual Counseling and Career Planning**

**16. Case Management:** For participants who receive training services under WIOA Section 134(d)(4).

**17. Short-Term Prevocational Services:** Can include development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training.

**Training Services:** Services offered through a training provider to help individuals upgrade their skills, earn degrees and certifications, or otherwise enhance their employability through learning and education. Types of training services include:

1. **Occupational Skills Training:** An organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by certain occupational fields at entry, intermediate or advanced levels.
2. **On-the-Job Training (OJT):** Training by an employer that is provided to a paid participant while engaged in productive work that is limited in duration, provides knowledge or skills essential to the full and adequate performance of the job, and reimburses the employer for the costs associated with training the OJT trainee often calculated based on a percentage of the trainee's wages.
3. **Workplace and cooperative education:** Programs that combine workplace training with related instruction which may include cooperative education programs
4. **Training programs operated by the private sector**
5. **Skills upgrading and retraining:** Courses that prepare persons for entrance into a new occupation through instruction in new and different skills demanded by technological changes. These courses train incumbent workers in specific skills needed by that business or industry and that lead to potential career growth and increased wages. This includes courses that develop professional competencies that are particularly relevant to a vocational/occupational goal. It must be demonstrated that the training will result in the workers' acquisition of transferable skills or an industry-recognized certification or credential.
6. **Entrepreneurial training**
7. **Job-readiness training**

**SANTA ANA AJCC Partner Services**

8. **Adult Education and Literacy programs:** Services or instruction below the postsecondary level for individuals who are not enrolled or required to be enrolled in secondary school under state law and lack basic educational skills to enable the individuals to function effectively in society and on a job, Services include, but are not limited to, one-on-one instruction, coursework, or workshops that provide direction for the development and ability to read, write, and speak in English, compute, and solve problems, at levels of proficiency necessary to function in society or on the job,
9. **Customized training:** Training that is designed to meet the special requirements of an employer or group of employers and that is conducted with a commitment by the employer to employ an individual upon successful completion of the training and for which the employer pays for a portion of the cost of training.

**Employer Services:** Santa Ana Work Center services offered to employers include:

1. **Employer needs assessment:** Evaluation of employer needs, particularly future hiring and talent needs.
2. **Job posting:** Receiving and filling of job openings; searching resumes; providing access to a diverse labor pool.
3. **Applicant pre-screening:** Assessing candidates according to the employer's requirements and hiring needs; referring candidates based on their knowledge, skills, and abilities relative to the employer requirements.
4. **Recruitment assistance:** Raising awareness of employers and job openings and attracting individuals to apply for employment at a hiring organization. Specific activities may include posting of employer announcements, provision of job applications, and hosting job fairs and mass recruitment.
5. **Training assistance:** Providing training resources to enable employers to upgrade employee skills, introduce workers to new technology, or to help employees transition into new positions.
6. **Labor Market Information:** Access to information on labor market trends, statistics, and other data related to the economy, wages, industries, etc.
7. **Employer information and referral:** Provision of information on topics of interest to employers such as services available in the community, local training providers, federal laws and requirements, tax information, apprenticeship programs, human resource practices, alien labor certification, incentive programs such as WOTC or the federal bonding program, etc.
9. **Rapid Response and Layoff Aversion:** Provision of services to prevent downsizing or closure, or to assist during layoff events, Strategies may include incumbent worker training to avert lay-offs, financing options, employee ownership options, placement assistance, worker assessments, establishment of transition centers, labor-management committees, peer counseling, etc.

**SANTA ANA AJCC Partner Services****Attachment 2****Service Delivery Codes: How will your agency provide the services indicated?**

<b>Code</b>	<b>Method Description</b>
<b>FT</b>	On-Site Staff Full Time
<b>PT</b>	On-Site Staff Part Time
<b>T</b>	Access Via Telephone
<b>A</b>	Access Via Automated System
<b>B</b>	Brochure/Handout
<b>P</b>	Posting at One-Stop Center
<b>O</b>	Other
<b>NA</b>	Not Applicable

## Attachment 3

## Santa Ana Workforce Development Board

### AJCC Comprehensive Infrastructure and Other Costs Budget 2025-2026

		SSA		
		868.97	Sq Ft	
		4.50%	Percentage	
Cost f.ategory/ Line Item	Cost Details	Monthly Cost	Monthly Property Rent	1ota1 Monthly Rent and Equipment Cost
<b>Rent</b>				
Base Rent	Incl. Janitorial, Maint and Utilities		2,166.44	2,166.44
CAM Charges				
Operational Cost	2% of Rent			
Management Fee	1.76% of Rent			
Parking	Parking Overages			
	<b>Total Rent</b>		<b>\$2,166.44</b>	<b>\$2,166.44</b>
<b>Utilities/Maint/Service</b>				
Telephone Services	Dial Tone and Voice Mail			
Shared Phones	by usage percentage			
Security Guard	1040 hrs x \$30.18 1040 x \$31.69	199.29		199.29
	<b>Total Utilities/Maintenance</b>	<b>\$199.29</b>		<b>\$199.29</b>
<b>Equipment</b>				
Public Computers				
	Resource Room Computers (21)			
	Computer Lab Computers (21)			
	<b>Total Equipment</b>			<b>\$0.00</b>
<b>**Tech &amp; Access Costs</b>				
Access System/Card	Key Card System			
Data & Phone Cabling	Cabling			
Information Technology Cost	Wireless Network Bridge Maintenance			
***Copiers (Annual)	Resource Room used by clients			
	Copy room Copier for staff only			
	<b>Total Technology and Access</b>	<b>\$0.00</b>		<b>\$0.00</b>
<b>Lease &amp; Infrastructure Total</b>		<b>\$199.29</b>	<b>\$2,166.44</b>	<b>\$2,365.73</b>

\*\* Technology and Access Costs are all based on percentage

\*\*\*Copiers are leased equipment and are charged by percentage. Additional charge for usage will be calculated and charged

**APPLICABLE CAREER SERVICES****Sharing Other One-Stop Delivery System Costs**

The budget must include "applicable career services" as well as any other shared costs agreed upon by the AJCC partners. While only co-located partners share infrastructure costs, all One-Stop partners must share in other system costs, including applicable career services.

**Required Consolidated System Budget for "Applicable Career Services"**

Summary of Career Services Applicable to Each **AJCC** Partner

The MOU requires identification of the career services that are applicable to each partner program (Attachment 2). Accordingly, this budget includes each of the partner's costs for the service delivery of each applicable career service.

Unlike infrastructure cost sharing, other system costs, including "Applicable Career Services" are not limited to the non-personnel costs and should include all costs related to the administration and delivery of those services.

<b>AJCC Applicable Career Services</b>	<b>SAWC</b>
<b>Career Services:</b> <ul style="list-style-type: none"> <li>• Eligibility Determination (1)</li> <li>• Outreach, Intake and Orientation (2)</li> <li>• Initial Assessment (3)</li> <li>• Job Search, Placement Assistance, and Career Counseling (4)</li> <li>• Employment Statistics-Labor Market Information (5)</li> <li>• Eligible Provider performance and program Cost Information (6)</li> <li>• Local Performance Information (7)</li> <li>• Supportive Services' Information (8)</li> <li>• Unemployment Compensation (9)</li> <li>• Eligibility Assistance (10)</li> <li>• Follow-Up Services (11)</li> <li>• Comprehensive and Specialized Assessments (12)</li> <li>• Individual Employment Plan Development (13)</li> <li>• Group Counseling (14)</li> <li>• Individual Counseling and Career Planning (15)</li> <li>• Case Management (16)</li> <li>• Short-Term Prevocational Services (17)</li> </ul>	\$541,376.00
<b>Training</b> <ul style="list-style-type: none"> <li>• Occupational Skills Training (1)</li> <li>• On-the-Job Training (OJT) (2)</li> <li>• Workplace and cooperative education (3)</li> <li>• Training programs operated by the private sector (4)</li> <li>• Skills upgrading and retraining (5)</li> <li>• Entrepreneurial training (6)</li> <li>• Job-readiness training (7)</li> <li>• Adult Education and Literacy programs (8)</li> <li>• Customized training (9)</li> </ul>	\$484,982.00

**APPLICABLE CAREER SERVICES**

<b>Employer Services</b> <ul style="list-style-type: none"><li>• Employer needs assessment (1)</li><li>• Job posting (2)</li><li>• Applicant pre-screening (3)</li><li>• Recruitment assistance (4)</li><li>• Training assistance (5)</li><li>• Labor Market Information (6)</li><li>• Employer information and referral (7)</li><li>• Rapid Response and Layoff Aversion (8)</li></ul>	\$209,549.20
<b>Total Career Service Cost</b>	\$1,235,907.20

# Comprehensive Cost Allocation and Partner Contributions

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Partner Program	Square Footage Paid for Based on Office Sharing/ Pa) <ment Ratio	% of Total Square Footage	Monthly Property Rent*	CAM Charges	Operational Cost and Management Fees	Monthly Charges	Monthly Rent + and Charges	Amount: In- Kind	Partner Contributions Yearly Career Services**
EDD	9345.17	48.37%	\$ 23,298.59		\$ 876.03	\$ 5,296.20	\$ 29,470.82		\$ 1,493,317.04
<b>Santa Ana WORK Center (City of Santa Ana)</b>	<b>5895.52</b>	<b>30.51%</b>	<b>\$ 14,698.20</b>	<b>\$ 1,361.66</b>	<b>\$ -</b>	<b>\$ 4,224.43</b>	<b>\$ 20,284.29</b>	<b>\$ -</b>	<b>\$ 1,235,907.20</b>
Department of Rehabilitation	161.93	0.84%	\$ 403.71	\$ 13.69		\$ 98.62	\$ 516.02	\$ -	\$ 2,945,349.48
<b>Social Services Agency-Family Self-Sufficiency</b>	<b>868.97</b>	<b>4.50%</b>	<b>\$ 2,166.44</b>			\$ 199.29	\$ 2,365.73		<b>\$ 800,000.00</b>
Santa Ana Housing Authority	485.93	2.52%	\$ 1,211.48	\$ 41.07		\$ 171.03	\$ 1,423.59		<b>\$ 82,290.00</b>
SER Jobs for Progress	<b>324.00</b>	<b>1.68%</b>	<b>\$ 807.77</b>	<b>\$ 27.39</b>		<b>\$ 197.25</b>	<b>\$ 1,032.41</b>		<b>\$ 2,945,349.48</b>
Rent Stabilization Division	1915.48	9.91%	\$ 4,775.51	\$ 161.91		\$ 523.76	\$ 5,461.18		<b>\$ 225,000.00</b>
Santa Ana Public Library	<b>324.00</b>	<b>1.68%</b>	<b>\$ 807.77</b>	<b>\$ 27.39</b>		<b>\$ 131.68</b>	<b>\$ 966.84</b>		<b>\$ 1,511,191.70</b>
<b>Total Rentable Space</b>	<b>19321.00</b>	<b>100.00"/4</b>	<b>\$ 48,169.47</b>	<b>\$ 1,633.11</b>	<b>\$ 876.03</b>	<b>\$ 10,842.26</b>	<b>\$ 61,520.88</b>	<b>\$ -</b>	<b>\$ 6,556,863.72</b>

Revised

2/27/25 11:54:46 AM

WORK MAY PROCEED  
CITY CLERK

Attachment 264-02A

DATE:

**FIRST AMENDMENT TO OFFICE LEASE BETWEEN  
SANTA ANA CA [SGF, LLC AND THE CITY OF SANTA ANA**

**THIS FIRST AMENDMENT TO OFFICE LEASE** (this "First Amendment") is entered into as of July 1, 2023 (the "Effective Date") by and between **SANTA ANA CA [SGF, LLC**, a Delaware limited liability company ("Landlord"), and **THE CITY OF SANTA ANA**, a charter city and municipal corporation ("Tenant").

**WITNESSETH:**

**WHEREAS**, Landlord, as successor-in-interest to CF SANTANA, LLC, a Delaware limited liability company, and Tenant entered into that certain Office Lease No. A-2017-264 dated October 7, 2017, Tenant Estoppel Certificate o. A-2017-264-01 dated February 8, 2018, and Exhibit B Notice of Lease Term Dates No. A-2017-264-02 dated February 16, 2018 (hereinafter collectively referred to as the "Lease"), pursuant to which Landlord leased to Tenant and Tenant leased from Landlord that certain premises identified as Suite 200 containing approximately 19,321 rentable square feet of office space (the "Premises") in the building located at 801 Civic Center Drive, Santa Ana, CA 92701 (the "Building");

**WHEREAS**, Landlord and Tenant desire to amend the Lease to set a new Term of the Lease, subject to the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the aforesaid premises and the other agreements and covenants hereafter set forth and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

1. Incorporation of Recitals. The above recitals are hereby incorporated into this First Amendment as fully set forth herein. As used herein the term "Lease" shall mean the Lease as amended by this First Amendment.

2. Definitions. All capitalized terms used in this First Amendment shall have the meanings assigned to them in the Lease unless otherwise specified herein.

3. Term. The Initial Term as defined by Section 3, Basic Lease Provisions, of the Lease is hereby for a period of One Hundred Twenty (120) full calendar months, commencing on July 1, 2023 and expiring on June 30, 2033 (the "Term").

Tenant shall have the right to extend the Term for two (2) sixty (60) month periods, in accordance with Section 3.2.2, Standard Lease Provisions, of the Lease.

4. Base Rent. Commencing on July 1, 2023, Tenant shall pay Base Rent in the following amounts:

<u>Dates</u>	Annual Base Rent	Monthly Installment of Base Rent	Annual Rental Rate per RSF
7/1/2023 - 6/30/2024	\$544,852.20	\$45,404.35	\$2.35



7/1/2024 - 6/30/2025	\$561,197.77	\$46,766.48	\$2.42
7/1/2025 - 6/30/2026	\$578,033.70	\$48,169.47	\$2.49
7/1/2026 - 6/30/2027	\$595,374.71	\$49,614.56	\$2.57
7/1/2027 - 6/30/2028	\$613,235.95	\$51,103.00	\$2.64
7/1/2028 - 6/30/2029	\$631,633.03	\$52,636.09	\$2.72
7/1/2029 - 6/30/2030	\$650,582.02	\$54,215.17	\$2.81
7/1/2030 - 6/30/2031	\$670,099.48	\$55,841.62	\$2.89
7/1/2031 - 6/30/2032	\$690,202.47	\$57,516.87	\$2.98
7/1/2032 - 6/30/2033	\$710,908.54	\$59,242.38	\$3.07

5. Base Year. The "Base Year" is hereby amended to reflect calendar year 2023.

6. Subsection 14.I, Waiver of Liability and Indemnification, of the Standard Lease Provisions, is hereby amended as follows:

Except to the extent caused by the gross negligence of Landlord or its agents, contractors or employees, Tenant hereby waives all claims and causes of action against Landlord and all of the other Landlord Parties for any damage to persons or property (including; without limitation, loss of profits and intangible, property) in any way relating to Tenant's use and occupancy of the Premises from any cause whatsoever, including, without limitation fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief. Tenant shall indemnify, defend, protect and hold harmless Landlord and each of the Landlord Parties from and against any and all Claims that arise out of, are occasioned by or are in any way attributable to: (a) the use or occupancy of the Premises or any portion of the Project by Tenant, (b) the acts or omissions of Tenant or any Tenant Party, (c) any default of this Lease by Tenant, or (d) any litigation or other proceedings between Tenant and any third party; provided that Tenant shall not be required to so indemnify, defend or hold Landlord or any of the other Landlord Parties harm less to the extent that any such Claims arise out of the gross negligence or willful misconduct of Landlord, its agents or employees.

7. Tenant Improvements. Landlord consents to (but does not require) Tenant's completion of certain improvements to the Premises (collectively, the "Tenant Improvements"), subject to the terms and conditions of Exhibit A attached hereto and made a part hereof.

8. As-Is Condition. Tenant accepts the Premises in its "AS-IS, WHERE-IS" condition as of the Effective Date, and Landlord makes no representation or warranty concerning the condition of the Leased Premises and has no obligation to construct, remodel, improve, repair, decorate or paint the Premises or any improvement on or a part of the Premises, except as may be otherwise set forth in the Lease. Tenant represents that (a) it has been in possession of the Premises pursuant to the Lease, (b) it has inspected the Premises prior to execution of this First Amendment, (c) it is not relying on any statement, representation or warranty of Landlord, its employees or agents, and (d) is fully satisfied with the condition of the Premises.

9. Parking. Section 2.3.2(c)(ii) is hereby deleted in its entirety and replaced with the following:

"Notwithstanding the foregoing, each calendar month during the Term, Landlord shall provide to Tenant, without charge: (A) a number of Short Term Project Parking Validations (defined below) equal to the product of thirty (30) and the number of days in such calendar month (during the Term) and (B) a number of Long Term Project Parking Validations (defined below) equal to the product of one hundred eighty (180) and the number of days in such calendar month (during the Term), in each case to be used only by Tenant's Business Customers for parking in the Parking Facilities without charge; provided that (x) Landlord shall not, at any time during the Term, be required under this Section 2.3.2(c)(ii) to provide a number of Project Parking Validations in any calendar month in excess of a number equal to the product of two hundred ten (210) and the number of days in such calendar month (during the Term) and (y) any Project Parking Validations provided by Landlord with respect to any particular calendar month that are not used during such calendar month shall, at the election of Landlord, either: (1) become null and void (and be returned to Landlord) or (2) be credited against Landlord's obligations to provide Project Parking Validations under this Section 2.3.2(c)(ii) for subsequent calendar months. No Project Parking Validations provided by Landlord to Tenant under this Section 2.3.2(c)(ii) shall be used to accommodate parking, without charge, by any particular Tenant's Business Customer(s), for a period in excess of three (3) hours on any day without Landlord's prior approval (and Tenant shall not provide any particular Tenant's Business Customer more than one Project Parking Validation on any particular day). "Short Term Project Parking Validations" means Project Parking Validations permitting Persons using such Project Parking Validations to park in the Parking Facilities for up to twenty (20) minutes without charge. "Long Term Project Parking Validations" means Project Parking Validations permitting Persons using such Project Parking Validations to park in the Parking Facilities for up to one (1) hour without charge."

10. No Default. Each of Landlord and Tenant hereby affirm to each other that as of the Effective Date no breach, default, event of default, or other act, error, or omission which, with the giving of notice or passage of time or both would constitute a breach, default, or event of default by such party has occurred and is continuing under the Lease beyond any applicable notice or cure period.

11. Affirmation of Lease Terms. Except as modified by this First Amendment, Landlord and Tenant hereby ratify the Lease and agree that the Lease shall remain unchanged and shall continue in full force and effect. In the event there is any conflict between the terms of the Lease and the terms set forth in this First Amendment, the terms specifically set out in this First Amendment shall control. From and after the Effective Date, any and all references to "the Lease" or "this Lease" in the Lease shall mean the Lease as modified by this First Amendment.

12. Mutual Authorization Representation. Each of Landlord and Tenant hereby represent and warrant to each other that: (a) this First Amendment (and each term and provision hereof) has been duly and appropriately authorized and executed by such party through proper written corporate or limited liability company action and approval; and (b) no additional consent, agreement, or approval is required with respect hereto.

13. Brokerage. Landlord and Tenant each represent that they had no dealings with any real estate broker, finder, or other person with respect to this First Amendment in any manner, other than Lee & Associates Newport Beach, Inc. representing Tenant ("Tenant's Broker") and Newmark representing Landlord ("Landlord's Broker" and collectively with Tenant's Broker, the "Brokers"). Landlord shall pay Brokers a leasing commission in connection with this First Amendment pursuant to separate agreement. Tenant shall indemnify and hold Landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorney's fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this First Amendment or its negotiation by reason of the act of Tenant. Landlord shall indemnify Tenant and hold Tenant harmless from any cost, expense or liability (including costs of suit and reasonable attorney's fees) for any compensation, commission or fees claimed by any real estate broker or agent in connection with this First Amendment or its negotiation by reason of the act of Landlord.

14. Miscellaneous. The submission of an unsigned copy of this First Amendment to Tenant shall not constitute an offer. This First Amendment (a) shall be binding upon an inure to the benefit of the parties hereto and their respective successors, heirs, legal representatives and assigns, (b) may be executed in two or more counterparts, all of which together shall constitute but one and the same agreement, (c) shall be governed by and construed in accordance with the laws of the State of California and both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of: in connection with or by reason of this Agreement, (d) shall constitute the entire agreement between the parties relating to the subject matter hereof, all prior negotiations, agreements, and understandings (not including the Lease, as amended), whether oral or written, being hereby superseded and terminated, and (e) shall become effective and binding only upon execution and delivery by both Landlord and Tenant. The execution of facsimiles, including the use of electronic signatures, of this First Amendment shall be binding on the parties hereto.

17. E-SIGN and Counterparts. Landlord and Tenant agree: (a) that a party's electronic signature with respect to this Lease has been executed or adopted by the signatory with the intent to sign, and be bound by, this Lease; (b) delivery of this Lease via electronic transmission or other electronic means shall be valid delivery for all purposes; (c) this Lease and any additional information incidental hereto may be maintained as electronic records; (d) photocopies, facsimile transmissions, electronic images and other copies of this Lease and/or its signature pages, shall be valid, binding, effective and enforceable the same as originals for all purposes, and may be so admitted in any judicial proceeding, regulatory proceeding or arbitration, and in making proof of this Lease it shall be unnecessary to produce the original hereof or any or all original signature pages; and (e) each party agrees to take any and all reasonable actions, if any, as may be necessary or as may be reasonably requested by any other party to this Lease to further evidence such party's intent to be bound by the provisions of this Lease and to ensure compliance with the provisions of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001.. et seq., the Uniform Electronic Transactions Act as incorporated into applicable law, and any other applicable law pertaining to electronic signatures.

*[Remainder of Page Intentionally Blank. Signature Page Follows]*

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to be effective as of the date first set forth above.

**ATTEST:**

**CITY OF SANTA ANA (TENANT):**

Jen... ..

**LW**

Kristine Ridge  
City Manager

**APPROVED AS TO FORM:**


**LANDLORD:**

SONIA R. CARVALHO


SANTA ANA CAPITAL SGF, LLC.  
a Delaware limited liability company

City Attorney

  
By: Jose Montoya, Assistant City Attorney

  
By: LAL - 41/1A --  
am De 1/4.. 141 4...  
Title: It..dt... / jt...a/2y

**RECOMMENDED FOR APPROVAL:**

  
Mike Garcia  
Executive Director  
Community Development Agency

Mike Garcia - Executive Director Community Development Agency

*[SIGNATURE PAGE TO FIRST AMENDMENT TO OFFICE LEASE]*

**EXHIBIT A****WORK LETTER**

**THIS WORK LETTER** (this "Work Letter") is attached to and incorporated into the First Amendment. Supplementing the provisions of the Lease (as amended by the First Amendment), but without limiting those provisions, Landlord and Tenant agree as follows with respect to the Tenant Improvements to be installed in the Premises.

1. **Purpose.** This Work Letter establishes responsibilities for the design and construction of the Tenant Improvements as well as the allocation of the costs of the Tenant Improvements. The terms, conditions, and requirements of the Lease, except where clearly inconsistent or inapplicable to this Work Letter, are incorporated into this Work Letter.

2. **Definitions.** The following defined terms used in this Work Letter shall have the meanings set forth below. Unless provided to the contrary herein, any other capitalized term that is not defined in this Work Letter shall have the meaning given to that term in the Lease.

(a) **"Approved Working Drawings"** is defined in Section 3(c) hereof.

(b) **"Building Systems"** means the structural portions of the Building, the common area restrooms, elevators, the Building's HVAC, mechanical, electrical, plumbing, and fire and life safety systems and equipment (including, but not limited to, the fire alarm and fire sprinklers).

(c) **"Contractor"** means the general contractor engaged by Landlord for performance of the Landlord Work pursuant to Section 4 hereof.

(d) **"Cost Proposal"** is defined in Section 5(a) hereof.

(e) **"Days"** means, unless otherwise indicated, calendar days.

(t) **"Landlord Coordination Fee"** means a fee equal to five percent (5%) of the hard and soft costs of the Landlord Work charged by Landlord for its services in managing the design and construction of the Tenant Improvements, and such fee will be included in the cost of the Landlord Work and deducted from the Tenant Allowance.

(g) **"Landlord's Representative"** means Dana Duaite as the only person authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other communication from or on behalf of Landlord in connection with this Work Letter unless such communication is in writing from Landlord's Representative. Landlord may change the Landlord's Representative at any time upon not less than five (5) days' advance written notice to Tenant.

(h) **"Landlord Work"** means all work necessary and appropriate to complete the Tenant Improvements in accordance with this Work Letter and the Lease.

(i) **••over-Allowance Amount**" is defined in Section 10(d) hereof.

U) **"Permits"** is defined in Section 6(a) hereof

(k) **"Punch List Work"** means those minor corrections of construction or decoration details, and minor mechanical adjustments, that are required to cause any applicable portion of the Tenant Improvements as constructed to conform to the Approved Plans in all material respects and that do not materially interfere with Tenant's use or occupancy of the Building and the Premises.

(l) **"Space Plan"** is defined in Section 3(a) hereof.

(m) **"Space Plan Allowance"** shall be Zero and 15/100 Dollars (\$0.15) per rentable square foot of the Premises (i.e., up to \$2,898.15), based on 19,321 rentable square feet of the Premises, and shall be included in the Tenant Allowance and deducted therefrom.

(n) **"Substantial Completion"** of the Tenant Improvements shall be deemed to have occurred on the date that: (i) all Landlord Work has been performed in accordance with the terms of this Work Letter, other than any Punch List Work; and (ii) if required, Landlord has obtained and delivered to Tenant a permanent or temporary certificate of occupancy ("COO") with respect to the Premises, except to the extent the same cannot be obtained by reason of the incompleteness of installations or other work that is the responsibility of Tenant (such as, but not limited to, the installation and making operational of Tenant's systems and telecommunications equipment), in which case Landlord shall obtain the same within a reasonable time after the same can be obtained.

(o) **"Tenant Allowance"** shall be Twenty-Eight and 00/100 Dollars (\$28.00) per rentable square foot of the Premises (i.e., up to \$540,988.00), based on 19,321 rentable square feet of the Premises.

(p) **"Tenant Contractor"** or **"Tenant Contractors"** means any employees, agents, contractors, consultants, subcontractors, mechanics, suppliers and invitees of Tenant, whether or not directly employed by Tenant, each of whom shall be reasonably approved by Landlord before they may work in the Building.

(q) **"Tenant Delay"** means a delay caused by any of the following:

(i) Tenant's failure to timely approve the Working Drawings or any other matter requiring Tenant's approval;

(ii) a breach by Tenant of the terms of this Work Letter or the Lease;

(iii) Tenant's request for changes in any of the Working Drawings, but only if such a request actually causes a delay to Substantial Completion of the Premises;

(iv) Tenant's requirement for: (A) materials, components, finishes, or improvements which are different from, or not included in, Landlord's standard tenant improvement items for the Building (which have been provided to Tenant and of which Tenant acknowledges receipt); or (B) materials that are not available in a commercially reasonable time given the estimated date of Substantial Completion of the Premises, but only to the extent that such a requirement actually causes a delay to Substantial Completion of the Premises; or

(v) any other acts or omissions of Tenant, or of any of the Tenant Contractors, their agents, or employees that continue more than one (1) day after written notice thereof by Landlord.

(r) **"Tenant FF&E Allowance:** means a portion of the Tenant Allowance in the amount of up to Ten and 00/100 Dollars (\$10.00) per rentable square foot of the Premises (i.e., up to \$193,210.00), which Tenant may use for Tenant's furniture, fixtures and equipment to be purchased and installed in the Premises and any costs of data cabling and IT infrastructure in connection with Tenant's furniture, fixtures and equipment.

(s) **"Tenant's Representative"** means the Executive Director, Community Development, or the Economic Development Manager or their designee (either such individual acting alone) as the only person[s] authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry, or other communication from or on behalf of Tenant in connection with this Work Letter unless such communication is in writing from Tenant's Representative. Tenant may change the Tenant's Representative[s] at any time upon not less than five (5) days' advance written notice to Landlord.

(t) **"Working Drawings"** is defined in Section 3(6). hereof.

### 3. **Plan Approval.**

(a) Prior to commencement of the Landlord Work, Landlord and Tenant shall approve detailed space plans (collectively, the **"Space Plan"**) for the construction of the Tenant Improvements, which space plans shall be prepared by Landlord's architect and subject to Tenant's reasonable approval within ten (10) days after receipt thereof.

(b) Promptly following Tenant's approval of the Space Plan, Landlord shall cause its architect and engineers to prepare and deliver to Tenant detailed specifications and engineered working drawings for the Tenant Improvements shown on the Space Plan, with such modifications to the Space Plan as shall be necessary to comply with the requirements of the Building Systems of the Building (the **"Working Drawings"**).

(c) Tenant shall approve or disapprove the Working Drawings in writing within fourteen (14) business days after receipt. Tenant may only disapprove the Working Drawings to the extent such Working Drawings are inconsistent with the Space Plan and only if Tenant delivers to Landlord, within such fourteen (14) business day period, specific changes proposed by Tenant which are consistent with the Space Plan. If any such revisions are timely and properly proposed by Tenant, Landlord shall cause its architect and

engineers to revise the Working Drawings to incorporate such revisions and submit the same for Tenant's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Landlord and Tenant. Upon Landlord's and Tenant's written approval of the Working Drawings, including any agreed changes pursuant to Sections 5 and 6, the same shall be known as the "**Approved Working Drawings**".

4. **Construction Contracts.** Landlord shall enter into a construction contract for the performance of the Landlord Work with the Contractor. Landlord shall use commercially reasonable efforts to obtain at least three (3) bids from each trade (other than mechanical, electrical, plumbing, and fire/life safety, for each of which Landlord shall require all work to be performed by Landlord's approved subcontractor for such trade) and shall select the lowest qualified bidder unless otherwise approved by Tenant in writing. Landlord shall require its Contractor to exercise reasonable efforts to avoid disruption of Tenant's business and to protect the health & safety of Tenant, its employees and its guests. This shall include, at a minimum, using all feasible methods to minimize danger, noise, vibration, fumes, dust and other pollution, and to the extent practicable, perform work outside of normal business hours.

5. **Cost Estimate.**

(a) Landlord shall provide Tenant with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the cost of the Tenant Improvements (the "**Cost Proposal**"). The Cost Proposal shall be provided to Tenant on an open book basis (i.e., Landlord shall make available to Tenant the economic terms of the construction agreement with the Contractor (including, without limitation, the cost of labor and materials, contractor fees and permit fees), as well as all bids received by Landlord for the Landlord Work, and reasonable documentation supporting Landlord's estimate of plan preparation costs and all other costs of the Landlord Work).

(b) Within ten (10) days of the receipt of the same, Tenant shall either: (i) approve the Cost Proposal; or (ii) have a one-time right to propose modifications to the Working Drawings so that the Cost Proposal does not exceed the amount of the Tenant Allowance. With the exception of the City's one-time right to modify as provided in this section, any proposed changes to the Working Drawings (other than changes that make the Working Drawings conform to the Space Plan) shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. If Landlord approves the proposed revisions: (A) Landlord shall have the Working Drawings revised in accordance with the approved revisions; and (B) Landlord shall submit a revised Cost Proposal to Tenant. Tenant shall notify Landlord in writing within ten (10) days whether it desires to proceed with such revisions. If Tenant fails to approve such revisions and revised Cost Proposal within such ten (10) day period; such failure shall be deemed to be a Tenant Delay. Any delays arising from further changes to the Working Drawings requested by Tenant shall be deemed to be Tenant Delays.

(c) Tenant's final written approval of the Cost Proposal and the Approved Working Drawings shall be authorization by Tenant for Landlord to purchase all materials



set forth in the Cost Proposal and to promptly commence the construction of the Tenant Improvements in accordance with the Approved Working Drawings.

6. **Performance of the Landlord Work.**

(a) Landlord shall cause the Contractor to obtain all applicable building permits for construction of the Landlord Work (collectively, the "**Permits**"), and to perform the Landlord Work in a good and workmanlike manner and in compliance with the Permits and all applicable Laws in effect at the time of construction. AJI costs associated with obtaining Permits will be deducted from the Tenant Allowance.

(b) If any local governmental agency requires revisions to the Approved Working Drawings, Tenant shall be deemed to have approved any adjustments to the Approved Working Drawings and the Cost Proposal resulting therefrom. If any Authority issuing Permits for the construction of the Tenant Improvements shall impose terms or conditions upon the construction thereof that (i) are inconsistent with Landlord's obligations hereunder; (ii) increase the cost of constructing the Tenant Improvements; or (iii) will materially delay the construction of the Tenant Improvements, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

7. **Change Requests.** No changes to the Approved Working Drawings or the agreed Cost Proposal may be made without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. If Tenant requests a change that would directly or indirectly delay the Substantial Completion of the Tenant Improvements, Landlord shall not be obligated to make such change unless Tenant agrees in writing that such delay (in the amount reasonably determined by Landlord) is a Tenant Delay. If Tenant requests a change to the Approved Working Drawings that increases the agreed Cost Proposal, Landlord shall not be obligated to make such change unless Tenant agrees in writing to pay any such increase in costs in accordance with Section LO.

8. **Substantial Completion.** When Landlord's architect certifies that the Landlord Work is Substantially Complete, Landlord shall notify Tenant thereof in writing. Tenant's Representative and Landlord's Representative shall at a mutually convenient date and time [but in no event later than ten (10) days after such notice] conduct a joint walk-through of the Premises in order to review the Tenant Improvements. Based upon said walk-through, Landlord's Representative and Tenant's Representative shall prepare a list of Punch List Work and, subject to Force Majeure, Tenant Delays and other causes beyond Landlord's reasonable control, Landlord shall complete the Punch List Work items within thirty (30) days after such joint walk-through. In the event of any dispute as to whether Landlord has Substantially Completed the Tenant Improvements, the City will be afforded an opportunity to provide input before the Landlord's architect renders a final decision on the dispute. The decision of Landlord's architect shall be final and binding on the parties. Tenant agrees that, at the request of Landlord from time to time after the initial inspection, Tenant shall initial such punch list or execute revised lists of Punch List Work to reflect completion or partial completion of prior Punch List Work.

9. **Access by Tenant.** Subject to the terms hereof and provided that Tenant and its agents do not interfere with the Contractor's work in the Building and the Premises, Landlord shall allow Tenant and any of the Tenant Contractors access to the applicable portions of the Premises at least ten (10) days prior to the Substantial Completion of the Landlord Work for the purpose of installing equipment and/or fixtures (including Tenant's data and telephone equipment) and Tenant's furniture in the Premises. Prior to Tenant's entry into the Premises, Tenant shall submit a schedule to Landlord and the Contractor, for their approval, which schedule shall detail the Tenant Contractors accessing the Premises and the timing and purpose of such entry. In connection with any such entry, Tenant acknowledges and agrees that all Tenant Contractors shall fully cooperate, work in harmony with and not, in any manner, materially interfere with Landlord or Landlord's contractors (including the Contractor), agents, or representatives in performing work in the Building and the Premises, or in performing any inspections, or interfere with the general operation of the Building. If at any time any of the Tenant Contractors shall not be cooperative or shall otherwise cause or threaten to cause any such disharmony or interference, including, without limitation, labor disharmony, and Tenant fails to immediately institute and maintain corrective actions as directed by Landlord, then Landlord may revoke Tenant's entry rights (as to an individual Tenant Contractor, or as to all Tenant Contractors, as Landlord shall deem appropriate). Tenant acknowledges and agrees that any such entry into and occupancy of the Premises or any portion thereof by Tenant or any Tenant Contractor shall be deemed to be subject to all the terms, covenants, conditions, and provisions of the Lease, excluding only the covenant to pay Rent (until the occurrence of the Lease Commencement Date).

10. **Cost Allocation.**

(a) Provided this Lease is in full force and effect, and Tenant is not in default thereunder beyond any applicable notice and cure period, Landlord shall pay (i) the costs of Space Plan in an amount up to, but not exceeding, the Space Plan Allowance, and (ii) the costs of the Tenant Work in an amount up to, but not exceeding, the Tenant Allowance. Landlord shall deduct the Landlord Coordination Fee of the Tenant Improvements from the Tenant Allowance.

(b) In no event shall Landlord be obligated to pay for the costs of any of Tenant's furniture, computer systems, telephone systems, equipment, or other personal property (whether or not such items may be depicted on the Approved Working Drawings) that exceed the Tenant FF&E Allowance. Eligible costs that exceed the Tenant FF&E Allowance shall be borne by Tenant.

(c) In the event that all costs associated with the Space Plan and design, permitting, and construction of the Tenant Improvements, including the Landlord Coordination Fee, exceeds the Space Plan Allowance and/or the Tenant Allowance, as applicable, the amount of such excess (the "**Over-Allowance Amount**") shall be paid by Tenant to Landlord within thirty (30) days following delivery of an invoice by Landlord. Tenant shall not be responsible for the Over-Allowance Amount if caused by Landlord or Landlord Contractor's own negligence, willful misconduct, or delay.

(d) Tenant shall not be entitled to receive (in cash or as a credit against any rental or otherwise) any portion of the Tenant Allowance not used to pay for the costs of the design, permitting, and construction of the Tenant Improvements.

11. **Miscellaneous.**

(a) All Tenant Improvements to be performed by Landlord (and any installations in the Premises as set forth in the Approved Working Drawings, m otherwise) shall use Building-standard specifications, materials, finishes, and supplies, unless otherwise specified in the Approved Working Drawings. Landlord, in its sole discretion, may substitute items, materials, or finishes with other items, materials, or finishes of comparable kind and quality. Landlord, at its sole option, may also change mechanical plans and specifications where necessary for the installation or modification of the Building Systems to accommodate the Tenant Improvements, provided that any such changes shall not materially and adversely affect Tenant's use and occupancy of the Demised Premises for the Permitted Use.

(b) Tenant acknowledges that the timely completion of the Tenant Improvements is of the utmost importance to Landlord and Tenant. Accordingly, Tenant hereby agrees to fully and diligently cooperate with all reasonable requests by Landlord in connection with or related to the design and construction of the Tenant Improvements and the completion of the permitting process and, in connection therewith, Tenant shall respond to Landlord's requests for information and/or approvals, except as specifically set forth herein to the contral-y, within two (2) days following request by Landlord. Landlord and Tenant, and such other parties as may be useful or appropriate, shall meet on a scheduled basis to be determined by Landlord's Representative and Tenant's Representative, to discuss progress in connection with the same.

(c) If at any time on or before the Substantial Completion of the Landlord Work, Tenant is in default under this Work Letter or under the Lease, which default remains uncured after the expiration of applicable notice and cure periods, then: (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to instruct the Contractor to cease the construction of the Landlord Work (in which case, Tenant shall be responsible for the Tenant Delay caused by such work stoppage); and (ii) all other obligations of Landlord under the terms of this Work Letter shall be suspended until such time as such default is fully and finally cured.

(d) Landlord hereby assigns to Tenant all warranties by Contractor relating to the Tenant Improvements, which assignment shall be on a non-exclusive basis such that the warranties may be enforced by Landlord and/or Tenant; such warranties shall be for a twelve (12) month period.

(e) Any portion of the Tenant Allowance not used within thirty-six (36) months of the Effective Date of this First Amendment shall be fodeited with no further obligation by Landlord with respect thereto. In no event shall Tenant be entitled to apply any unused portion of the Tenant Allowance towards future payments of Base Rent and/or, except as expressly set forth herein, purchase of Tenant's furniture, fixtures and equipment.

**ATTACHMENT 6****STATE PRIVACY AND SECURITY PROVISIONS****1. DEFINITIONS**

For the purpose of this Agreement, the following terms mean:

- a. **“Assist in the Administration of the Program”** means performing administrative functions on behalf of programs, such as determining eligibility for, or enrollment in, and collecting PII for such purposes, to the extent such activities are authorized by law.
- b. **“Breach”** refers to actual loss, loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for other than authorized purposes have access or potential access to PII, whether electronic, paper, verbal, or recorded.
- c. **“Contractor Staff”** means those employees of the contractor/subcontractor, vendors and agents performing any functions for the county that require access to and/or use of PII and that are authorized by the county to access and use PII.
- d. **“PII”** is personally identifiable information that is obtained through the MEDS or IEVS on behalf of the programs and can be used alone, or in conjunction with any other reasonably available information, to identify a specific individual. The PII includes, but is not limited to, an individual's name, social security number, driver's license number, identification number, biometric records, date of birth, place of birth, or mother's maiden name. The PII may be electronic, paper, verbal, or recorded.
- e. **“Security Incident”** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PII, or interference with system operations in an information system which processes PII that is under the control of the county or county's Statewide Automated Welfare System (SAWS) Consortium, or CalWIN (California Welfare Information Network), or under the control of a contractor, subcontractor or vendor of the county, on behalf of the county.
- f. **“Secure Areas”** means any area where:
  - i. Contractor Staff assist in the administration of their program;
  - ii. Contractor Staff use or disclose PII; or
  - iii. PII is stored in paper or electronic format.

## 2. PRIVACY AND CONFIDENTIALITY

- a. The County staff, contractors, subcontractors and vendors, covered by this Agreement may use or disclose PII only as permitted in this Agreement and only to assist in the administration of programs in accordance with 45 CFR § 205.50 et. seq and Welfare and Institutions Code section 10850, and Section 14100.2 of the Welfare and Institutions Code, Section 431.300 et. Seq. of Title 42 Code of Federal Regulations, or as authorized or required by law. Disclosures, which are authorized or required by law, such as a court order, or are made with the explicit written authorization of the individual, who is the subject of the PII, are allowable. Any other use or disclosure of PII requires the express approval in writing by County of Orange. No Contractor Staff shall duplicate, disseminate or disclose PII except as allowed in this Agreement.
- b. Pursuant to this Agreement, Contractor Staff may only use PII to perform administrative functions related to administering their respective programs.
- c. Access to PII shall be restricted to Contractor Staff who need to perform their official duties to assist in the administration of their respective programs.
- d. Contractor Staff who access, disclose or use PII in a manner or for a purpose not authorized by this Agreement may be subject to civil and criminal sanctions contained in applicable federal and state statutes.

## 3. PERSONNEL CONTROLS

The County agrees to advise Contractor Staff, who have access to PII, of the confidentiality of the information, the safeguards required to protect the information, and the civil and criminal sanctions for non-compliance contained in applicable federal and state laws. For that purpose, the Contractor shall implement the following personnel controls:

- a. **Employee Training.** Train and use reasonable measures to ensure compliance with the requirements of this Agreement by Contractor Staff, including, but not limited to:
  - i. Provide initial privacy and security awareness training to each new Contractor Staff within thirty (30) days of employment and;
  - ii. Thereafter, provide annual refresher training or reminders of the privacy and

security safeguards in this Agreement to all Contractor Staff. Three (3) or more security reminders per year are recommended;

- iii. Maintain records indicating each Contractor Staff's name and the date on which the privacy and security awareness training was completed;
- iv. Retain training records for a period of three (3) years after completion of the training.

**b. Employee Discipline.**

- i. Provide documented sanction policies and procedures for Contractor Staff who fail to comply with privacy policies and procedures or any provisions of these requirements.
- ii. Sanction policies and procedures shall include termination of employment when appropriate.

**c. Confidentiality Statement.** Ensure that all Contractor Staff, accessing, using or disclosing PII, sign a confidentiality statement (provided by the County). The statement shall be signed by Contractor staff prior to accessing PII and annually thereafter. Signatures may be physical or electronic. The signed statement shall be retained for a period of three (3) years.

The statement shall include at a minimum:

- i. General Use;
- ii. Security and Privacy Safeguards;
- iii. Unacceptable Use; and
- iv. Enforcement Policies.

**d. Background Screening.**

- i. Conduct a background screening of a Contractor Staff before they may access PII.
- ii. The background screening should be commensurate with the risk and magnitude of harm the employee could cause. More thorough screening shall be done for those employees who are authorized to bypass significant technical and operational security controls.
- iii. The Contractor shall retain each Contractor Staff's background screening documentation for a period of three (3) years following conclusion of employment relationship.

**4. MANAGEMENT OVERSIGHT AND MONITORING**

To ensure compliance with the privacy and security safeguards in this Agreement the County shall perform the following:

- a. Conduct periodic privacy and security reviews of work activity by Contractor Staff, including random sampling of work product. Examples include, but are not limited to, access to case files or other activities related to the handling of PII.
- b. The periodic privacy and security reviews must be performed or overseen by management level personnel who are knowledgeable and experienced in the areas of privacy and information security in the administration of their program, and the use or disclosure of PII.

## **5. INFORMATION SECURITY AND PRIVACY STAFFING**

The Contractor agrees to:

- a. Designate information security and privacy officials who are accountable for compliance with these and all other applicable requirements stated in this Agreement.
- b. Provide County with applicable contact information for these designated individuals. Any changes to this information should be reported to County within ten (10) days.
- c. Assign staff to be responsible for administration and monitoring of all security related controls stated in this Agreement.

## **6. PHYSICAL SECURITY**

The Contractor shall ensure PII is used and stored in an area that is physically safe from access by unauthorized persons at all times. The Contractor agrees to safeguard PII from loss, theft, or inadvertent disclosure and, therefore, agrees to:

- a. Secure all areas of the Contractor's facilities where Contractor Staff assist in the administration of their program and use, disclose, or store PII.
- b. These areas shall be restricted to only allow access to authorized individuals by using one or more of the following:
  - i. Properly coded key cards
  - ii. Authorized door keys
  - iii. Official identification

- c. Issue identification badges to Contractor Staff.
- d. Require Contractor Staff to wear these badges where PII is used, disclosed, or stored.
- e. Ensure each physical location, where PII is used, disclosed, or stored, has procedures and controls that ensure an individual who is terminated from access to the facility is promptly escorted from the facility by an authorized employee and access is revoked.
- f. Ensure there are security guards or a monitored alarm system at all times at the Contractor facilities and leased facilities where five hundred (500) or more individually identifiable records of PII is used, disclosed or stored. Video surveillance are recommended.
- g. Ensure data centers with servers, data storage devices, and/or critical network infrastructure involved in the use, storage, and/or processing of PII have perimeter security and physical access controls that limit access to only authorized Contractor Staff. Visitors to the data center area must be escorted at all times by authorized Contractor Staff.
- h. Store paper records with PII in locked spaces, such as locked file cabinets, locked file rooms, locked desks, or locked offices in facilities which have multi-use functions in one building in work areas that are not securely segregated from each other. It is recommended that all PII be locked up when unattended at any time, not just within multi-use facilities.
- i. The Contractor shall have policies that include, based on applicable risk factors, a description of the circumstances under which the Contractor Staff can transport PII, as well as the physical security requirements during transport. A Contractor that chooses to permit its staff to leave records unattended in vehicles must include provisions in its policies to ensure the PII is stored in a non-visible area such as a trunk, that the vehicle is locked, and under no circumstances permit PII be left unattended in a vehicle overnight or for other extended periods of time.
- j. The Contractor shall have policies that indicate Contractor Staff are not to leave records with PII unattended at any time in airplanes, buses, trains, etc., including baggage areas. This should be included in training due to the nature of the risk.
- k. Use all reasonable measures to prevent non-authorized personnel and visitors from having access to, control of, or viewing PII.



## 7. **TECHNICAL SECURITY CONTROLS**

- a. **Workstation/Laptop Encryption.** All workstations and laptops, which use, store and/or process PII, must be encrypted using a FIPS 140-2 certified algorithm 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk. It is encouraged, when available and when feasible, that the encryption be 256 bit.
- b. **Server Security.** Servers containing unencrypted PII must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review. It is recommended to follow the guidelines documented in the latest revision of the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Security and Privacy Controls for Federal Information Systems and Organizations.
- c. **Minimum Necessary.** Only the minimum necessary amount of PII required to perform required business functions may be accessed, copied, downloaded, or exported.
- d. **Mobile Device and Removable Media.** All electronic files, which contain PII data, must be encrypted when stored on any mobile device or removable media (i.e. USB drives, CD/DVD, smartphones, tablets, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm 128 bit or higher, such as AES. It is encouraged, when available and when feasible, that the encryption be 256 bit.
- e. **Antivirus Software.** All workstations, laptops and other systems, which process and/or store PII, must install and actively use an antivirus software solution. Antivirus software should have automatic updates for definitions scheduled at least daily.
- f. **Patch Management.**
  - i. All workstations, laptops and other systems, which process and/or store PII, must have critical security patches applied, with system reboot if necessary.
  - ii. There must be a documented patch management process that determines installation timeframe based on risk assessment and vendor recommendations.
  - iii. At a maximum, all applicable patches deemed as critical must be installed within thirty (30) days of vendor release. It is recommended that critical patches which are high risk be installed within seven (7) days.
  - iv. Applications and systems that cannot be patched within this time frame, due to significant operational reasons, must have compensatory controls implemented to minimize risk.

g. **User IDs and Password Controls.**

- i. All users must be issued a unique username for accessing PII.
- ii. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee within twenty-four (24) hours. Note: Twenty-four (24) hours is defined as one (1) working day.
- iii. Passwords are not to be shared.
- iv. Passwords must be at least eight (8) characters.
- v. Passwords must be a non-dictionary word.
- vi. Passwords must not be stored in readable format on the computer or server.
- vii. Passwords must be changed every ninety (90) days or less.
- viii. Passwords must be changed if revealed or compromised.
- ix. Passwords must be composed of characters from at least three (3) of the following four (4) groups from the standard keyboard:
  - A. Upper case letters (A-Z)
  - B. Lower case letters (a-z)
  - C. Arabic numerals (0-9)
  - D. Special characters (!,@,#, etc.)

h. **Data Destruction.** When no longer needed, all PII must be cleared, purged, or destroyed consistent with NIST SP 800-88, Guidelines for Media Sanitization, such that the PII cannot be retrieved.

i. **System Timeout.** The systems providing access to PII must provide an automatic timeout, requiring re-authentication of the user session after no more than twenty (20) minutes of inactivity.

j. **Warning Banners.** The systems providing access to PII must display a warning banner stating, at a minimum:

- i. Data is confidential;
- ii. Systems are logged;
- iii. System use is for business purposes only, by authorized users; and
- iv. Users shall log off the system immediately if they do not agree with these requirements.

k. **System Logging.**

- i. The systems which provide access to PII must maintain an automated audit trail that can identify the user or system process which initiates a request for PII or alters PII.
- ii. The audit trail shall:
  - A. Be date and time stamped;

- B. Log both successful and failed accesses;
  - C. Be read-access only; and
  - D. Be restricted to authorized users.
- iii. If PII is stored in a database, database logging functionality shall be enabled.
- iv. Audit trail data shall be archived for at least three (3) years from the occurrence.
- l. **Access Controls.** The system providing access to PII shall use role-based access controls for all user authentications, enforcing the principle of least privilege.
- m. **Transmission Encryption.**
  - i. All data transmissions of PII outside of a secure internal network must be encrypted using a Federal Information Processing Standard (FIPS) 140-2 certified algorithm that is 128 bit or higher, such as Advanced Encryption Standard (AES) or Transport Layer Security (TLS). It is encouraged, when available and when feasible, that 256 bit encryption be used.
  - ii. Encryption can be end to end at the network level, or the data files containing PII can be encrypted.
  - iii. This requirement pertains to any type of PII in motion such as website access, file transfer, and email.
- n. **Intrusion Prevention.** All systems involved in accessing, storing, transporting, and protecting PII, which are accessible through the Internet, must be protected by an intrusion detection and prevention solution.

## 8. **AUDIT CONTROLS**

- a. **System Security Review.**
  - i. The Contractor must ensure audit control mechanisms are in place.
  - ii. All systems processing and/or storing PII must have at least an annual system risk assessment/security review that ensures administrative, physical, and technical controls are functioning effectively and provide an adequate level of protection.
  - iii. Reviews should include vulnerability scanning tools.
- b. **Log Reviews.** All systems processing and/or storing PII must have a process or automated procedure in place to review system logs for unauthorized access.
- c. **Change Control.** All systems processing and/or storing PII must have a documented

change control process that ensures separation of duties and protects the confidentiality, integrity and availability of data.

- d. **Anomalies.** When the County or DHCS suspects MEDS usage anomalies, the County will work with Contractor to investigate the anomalies and report conclusions of such investigations and remediation to California Department of Social Services (CDSS).

9. **BUSINESS CONTINUITY / DISASTER RECOVERY CONTROLS**

- a. **Emergency Mode Operation Plan.** The Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of PII kept in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than twenty-four (24) hours.
- b. **Data Centers.** Data centers with servers, data storage devices, and critical network infrastructure involved in the use, storage and/or processing of PII, must include environmental protection such as cooling, power, and fire prevention, detection, and suppression.
- c. **Data Backup and Recovery Plan.**
  - i. The Contractor shall have established documented procedures to backup PII to maintain retrievable exact copies of PII.
  - ii. The documented backup procedures shall contain a schedule which includes incremental and full backups.
  - iii. The procedures shall include storing backups offsite.
  - iv. The procedures shall ensure an inventory of backup media.
  - v. The Contractor shall have established documented procedures to recover PII data.
  - vi. The documented recovery procedures shall include an estimate of the amount of time needed to restore the PII data.
  - vii. It is recommended that the Contractor periodically test the data recovery process.

10. **PAPER DOCUMENT CONTROLS**

- a. **Supervision of Data.** The PII in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information may be observed by an individual not authorized to access the information.
- b. **Data in Vehicles.** The Contractor shall have policies that include, based on applicable risk factors, a description of the circumstances under which the Contractor Staff can transport PII, as well as the physical security requirements during transport. A Contractor that chooses to permit its staff to leave records unattended in vehicles must include provisions in its policies to ensure the PII is stored in a non-visible area such as a trunk, that the vehicle is locked, and under no circumstances permit PII be left unattended in a vehicle overnight or for other extended periods of time.
- c. **Public Modes of Transportation.** The PII in paper form shall not be left unattended at any time in airplanes, buses, trains, etc., including baggage areas. This should be included in training due to the nature of the risk.
- d. **Escorting Visitors.** Visitors to areas where PII is contained shall be escorted, and PII shall be kept out of sight while visitors are in the area.
- e. **Confidential Destruction.** PII must be disposed of through confidential means, such as cross-cut shredding or pulverizing.
- f. **Removal of Data.** The PII must not be removed from the premises of Contractor except for identified routine business purposes or with express written permission of HHS.
- g. **Faxing.**
  - i. Faxes containing PII shall not be left unattended and fax machines shall be in secure areas.
  - ii. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them and notify the sender.
  - iii. Fax numbers shall be verified with the intended recipient before sending the fax
- h. **Mailing.**
  - i. Mailings containing PII shall be sealed and secured from damage or inappropriate viewing of PII to the extent possible.
  - ii. Mailings that include five hundred (500) or more individually identifiable records containing PII in a single package shall be sent using a tracked mailing method

that includes verification of delivery and receipt, unless the Contractor obtains prior written permission from HHS to use another method.

**11. NOTIFICATION AND INVESTIGATION OF BREACHES AND SECURITY INCIDENTS**

During the term of this Agreement, the County agrees to implement reasonable systems for the discovery and prompt reporting of any Breach or Security Incident, and to take the following steps:

**a. Initial Notice to HHS:**

- i. The Contractor will provide initial notice to the County. The Contractor agrees to perform the following incident reporting to County.
- ii. Immediately upon discovery of a suspected security incident that involves data provided to Contractor by County, the Contractor will notify the County by email or telephone.
- iii. Within one working day of discovery, the Contractor will notify the County by email or telephone of unsecured PII, if that PII was, or is, reasonably believed to have been accessed or acquired by an unauthorized person, any suspected security incident, intrusion, or unauthorized access, use, or disclosure of PII in violation of this Agreement, or potential loss of confidential data affecting this Agreement. Notice shall be made by contacting the County as provided in this agreement, including all information known at the time.
- iv. A breach shall be treated as discovered by the Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach), who is an employee, officer or other agent of the Contractor.
- v. Upon discovery of a breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII, the Contractor shall take:
  - A. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
  - B. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

- b. Investigation and Investigative Report.** The Contractor shall immediately investigate breaches and security incidents involving PII. The Contractor will cooperate with the County during this investigation. Within seventy-two (72) hours of discovery, the Contractor shall provide new or updated information if available to County. The updated report shall include any other applicable information related to the breach or security

incident known at that time. The Contractor shall provide status update to County on a regular basis as agreed upon.

The Contractor shall provide to County all specific and pertinent information about the Breach, including copies of any reports conducted by the Contractor or on behalf of the Contractor. The Contractor shall waive any assertion of privilege in relation to such reports. Such information and/or reports shall be provided to County without unreasonable delay and in no event later than fifteen (15) calendar days the Contractor have such information and/or report.

- c. **Complete Report.** The complete report of the investigation shall include an assessment of all known factors relevant to the determination of whether a breach occurred under applicable provisions of the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, the Information Protection Act, or other applicable law. The report shall include a Corrective Action Plan (CAP) which includes, at a minimum, detailed information regarding the mitigation measures taken to halt and/or contain the improper use or disclosure.

If County requests additional information related to the incident, the Contractor shall make reasonable efforts to provide County with such information. County will review report and determine whether a breach occurred and whether individual notification is required. County will maintain the final decision making over a breach determination.

- d. **Notifications of Individuals.** When applicable state or federal law requires notification to individuals of a breach or unauthorized disclosure of their PII, the County will make the decision to either notify clients or have the Contractor give notice. If the Contractor shall give the notice, it would be subject to the following provisions:
  - i. If the cause of the breach is attributable to the Contractor or its subcontractors, agents or vendors, the Contractor shall pay any costs of such notifications, as well as any and all costs associated with the breach. If there are any questions as to whether the County or the Contractor is responsible for the breach, the County and the Contractor shall jointly determine responsibility for purposes of allocating the costs;
  - ii. All notifications (regardless of breach status) regarding the beneficiaries' PII shall comply with the requirements set forth in Section 1798.29 of the California Civil Code and Section 17932 of Title 42 of the United States Code, inclusive of its implementing regulations, including but not limited to the requirement that the notifications be made without reasonable delay and in no event, later than sixty (60) calendar days from discovery;

- iii. The County has contractual requirement with the California Department of Social Services and California Department of Health Care Services to approve the time, manner and content of any such notifications and their review and approval shall be obtained before notifications are made. Therefore, the Contractor must provide the notifications to County to obtain review and approval prior to notifications are made. If notifications are distributed without State review and approval, secondary follow-up notifications may be required; and
  - iv. The County may elect to assume responsibility for such notification from the Contractor.
- e. **Responsibility for Reporting of Breaches when Required by State or Federal Law.** If the cause of a breach is attributable to the Contractor or its agents, subcontractors or vendors, the Contractor is responsible for all required reporting of the breach. If the cause of the breach is attributable to the County, the County is responsible for all required reporting of the breach. When applicable law requires the breach be reported to a federal or state agency or that notice be given to media outlets, DHCS (Department of Health Care Services) and CDSS (California Department of Social Services) (if the breach involves MEDS or SSA data), then the Contractor shall coordinate with the County to ensure such reporting is in compliance with applicable law and to prevent duplicate reporting, and to jointly determine responsibility for purposes of allocating the costs of such reports, if any.
- f. **County Contact Information.** The Contractor shall utilize the below contact information to direct all notifications of breach and security incidents to the County. The County reserves the right to make changes to the contact information by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement or any other agreement into which it is incorporated.

<b>Social Services Agency Contact</b>	<b>County Privacy Officer</b>
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<p>County of Orange Social Services Agency Contracts Services 500 N. State College Blvd, Suite 100 Orange, CA 92868 714-541-7785 <a href="mailto:Karen.Vu@ssa.ocgov.com">Karen.Vu@ssa.ocgov.com</a></p>	<p>Linda Le, CHC, CHPC, CHP County of Orange OCIT - Enterprise Privacy &amp; Cybersecurity  1055 N. Main St, 6th Floor Santa Ana, CA 92701  Email: <a href="mailto:privacyofficer@ocgov.com">privacyofficer@ocgov.com</a>  <a href="mailto:securityadmin@ocit.ocgov.com">securityadmin@ocit.ocgov.com</a> <a href="mailto:linda.le@ocit.ocgov.com">linda.le@ocit.ocgov.com</a></p>
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**12. COMPLIANCE WITH SSA (SOCIAL SECURITY ADMINISTRATION) AGREEMENT**

The County has agreed to comply with applicable privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement (CMPPA) between the SSA and the California Health and Human Services Agency (CHHS), in the Information Exchange Agreement (IEA) between SSA and CDSS, and in the Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with SSA (TSSR). If Contractor have access to the PII data provided by SSA, then Contractor must agree to comply with the applicable privacy and security requirements, which is available upon request.

If there is any conflict between a privacy and security standard in the CMPPA, IEA or TSSR, and a standard in this Agreement, the most stringent standard shall apply. The most stringent standard means the standard which provides the greatest protection to PII.

**13. COMPLIANCE WITH DEPARTMENT OF HOMELAND SECURITY AGREEMENT**

The County has agreed to comply with substantive privacy and security requirements in the Computer Matching Agreement (CMA) between the Department/Agency of Homeland Security, United States Citizenship and Immigration Services (DHS-USCIS) and CDSS. If Contractor have access to the PII data provided by DHS-USCIS, then Contractor must agree

to comply with the applicable privacy and security requirements, which is available upon request.

If there is any conflict between a privacy and security standard in the CMA and a standard in this Agreement, the most stringent standard shall apply. The most stringent standard means the standard which provides the greatest protection to PII.

**14. CONTRACTOR AGENTS, SUBCONTRACTORS, AND VENDORS**

The Contractor agrees to enter into written agreements with all agents, subcontractors, and vendors that have access to the Contractor's PII. These agreements will impose, at a minimum, the same restrictions and conditions that apply to the Contractor with respect to PII upon such agents, subcontractors, and vendors. These shall include, at a minimum, (1) restrictions on disclosure of PII, (2) conditions regarding the use of appropriate administrative, physical, and technical safeguards to protect PII, and, where relevant, (3) the requirement that any breach, security incident, intrusion, or unauthorized access, use, or disclosure of PII be reported to the Contractor. If the agents, subcontractors, and vendors of the Contractor access data provided to the County by SSA or DHS-USCIS, the Contractor shall also incorporate the Agreement's Exhibits into each subcontract or subaward with agents, subcontractors, and vendors.

**15. ASSESSMENTS AND REVIEWS**

In order to enforce this Agreement and ensure compliance with its provisions, the Contractor agrees to assist the County (on behalf of CDSS and DHCS) in performing compliance assessments. These assessments may involve compliance review questionnaires, and/or review of the facilities, systems, books, and records of the Contractor, with reasonable notice from the County. Such reviews shall be scheduled at times that take into account the operational and staffing demands. The Contractor agrees to promptly remedy all violations of any provision of this Agreement and certify the same to the County in writing, or to enter into a written CAP (Corrective Action Plan) with the County containing deadlines for achieving compliance with specific provisions of this Agreement.

**16. ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS**

In the event of litigation or administrative proceedings involving the County based upon claimed violations by the Contractor of the privacy or security of PII, or federal or state laws or agreements concerning privacy or security of PII, the Contractor shall make all reasonable

effort to make itself and Contract Workers assisting in the administration of their program and using or disclosing PII available to the County at no cost to the County to testify as witnesses. The County shall also make all reasonable efforts to make itself and any subcontractors, agents, and employees available to the Contractor at no cost to the Contractor to testify as witnesses, in the event of litigation or administrative proceedings involving the Contractor based upon claimed violations by the County of the privacy or security of PII, or state or federal laws or agreements concerning privacy or security of PII.