

MEMORANDA OF UNDERSTANDING

FIRST AMENDMENT

BETWEEN

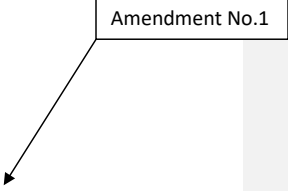
THE COUNTY OF ORANGE

AND

THE CITY OF LAGUNA BEACH

FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ~~AND
COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT (CDBG-CV3) PROGRAM~~

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This Memoranda of Understanding (MOU) is entered into by and between the County of Orange, acting through its County Executive Office (CEO), hereinafter referred to as “County,” and the City of Laguna Beach, hereinafter referred to as “City.” This MOU establishes program content and purpose, along with specific guidelines, for the implementation and administration of the Community Development Block Grant (CDBG) Program funds to assist persons who are experiencing homelessness or at-risk of homelessness. Additionally, the MOU details the procedures for invoicing and payment from City to County for CDBG. County and City may be referred to individually as “Party” and collectively as “the Parties.”

The relationship between County and City, with regards to this MOU, is based upon the following:

- 1) This MOU sets forth the procedures authorized by both County and City, for their respective employees to follow in providing services.
- 2) This is a financial MOU and is a legally binding agreement based on the promises of the Parties.
- 3) This MOU is authorized and provided for pursuant to the CDBG Program created to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. County is responsible for administering the CDBG Program in accordance with U.S. Department of Housing and Urban Development (HUD) guidelines.
- 4) City, through staffing and/or subcontracted provider(s), is to provide the services and activities described in this MOU that benefits persons who are experiencing homelessness or at risk of homelessness pursuant to the guidelines set forth in this MOU. References to City throughout this MOU will include any services and activities provided through subcontracted provider(s).

1. TERM

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The term of this MOU shall commence on July 1, 2023, and end on June 30, 2025, unless earlier terminated pursuant to the provisions of Paragraph 26 of this MOU; however, the Parties shall perform such duties as would normally extend beyond this term, including, but not limited to, obligations with respect to indemnification, reporting and confidentiality. County and City may mutually agree in writing to extend the term of this MOU for up to twelve (12) additional months upon the same terms and conditions for additional funding that may become available under the CDBG and CDBG-CV3 Program.

1.1 The following term and amount are applicable to the CDBG and CDBG-CV3 funding, in accordance with funding guidelines.

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| Funding Source | Term |
|----------------|---|
| CDBG-CV3 | 7/1/2023 to 6/30/2025 |
| CDBG | 7/1/2023 to 6/30/2024 2025; Fiscal Year 23-24: 7/1/2023 to 6/30/2024 Fiscal Year 24-25: 7/1/2024 to 6/30/2025 |

2. PURPOSE

The purpose of this MOU is to establish the procedure for County and City to provide services to individuals who meet the criteria under Section 4 of this MOU for CDBG and CDBG-CV3 Program.

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3. DEFINITIONS

- 3.1 Annual Action Plan: This document provides a concise summary of the actions, activities, and the specific state and non-state resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Area
- 3.2 Median Income (AMI): The most recent applicable county median household income published by HUD.
- 3.3 Case Management: A process of identification, assessment of need, planning, coordination and linking, monitoring and continuous evaluation of Participants and of available resources in order to achieve and maintain housing stability.
- 3.4 Community Development Block Grant (CDBG) Program: Provides annual federal grants

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on a formula basis to states, cities and counties to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities principally for low- and moderate-income persons.

- 3.5 Coronavirus Aid, Relief, and Economic Security Act (CARES Act): Provides funds to prevent, prepare for and respond to the COVID-19 virus.
- 3.6 ~~CDBG-CV3: The Third Round of CDBG funds that include CARES Act Waivers for the provision of homeless services activities.~~
- 3.7 ~~Consolidated Annual Performance and Evaluation Report (CAPER): Report required by HUD for CDBG-CV3 data collection purposes.~~
- 3.8 Consolidated Plan: This document describes a jurisdiction's community development priorities and multiyear goals for using CDBG, ~~CDBG-CV3~~, HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds. This planning document, among other things, contains a description of the community's homeless assistance needs, details available resources, and provides a five (5) year plan and a yearly action plan.
- 3.9 Continuum of Care (CoC): A regional or local planning body that coordinates housing and homeless services funding for Participants experiencing homelessness and those at risk of homelessness. The CoC strategizes the community plan to organize and deliver housing and homeless services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency.
- 3.10 Grantee Performance Report (GPR): Provides a systematic format for reporting on the use of federal funds.
- 3.11 Homeless:
- 3.11.1 An individual or family who lacks a fixed, regular, and adequate nighttime residence and whose previous housing was located in Orange County.
- 3.11.2 An individual or family with a primary nighttime residence located in Orange County, that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including, but not limited to, a car, park, abandoned building, bus station, train station, airport, or

camping ground.

- 3.11.3 An individual or family who is living in a supervised publicly or privately-operated shelter located in Orange County, designated to provide temporary living arrangements, including hotels or motels paid for by federal, state, or local government programs for low-income individuals or by charitable organizations, congregate shelters, or transitional housing.
- 3.11.4 An individual who resided in a shelter or place not meant for human habitation that is located in Orange County and who is exiting an institution where he or she temporarily resided that is located in Orange County.
- 3.11.5 An individual or family who will imminently lose their housing that is located in Orange County, including, but not limited to, housing they own, rent, or live in without paying rent, are sharing with others, or rooms in hotels or motels not paid for by federal, state, or local government programs for low-income individuals or by charitable organizations, as evidenced by any of the following:
 - 3.11.5.1 A court order resulting from an eviction action, which notifies the individual or family that they must leave their housing located in Orange County within fourteen (14) days.
 - 3.11.5.2 Lack of resources necessary for the individual or family with a primary nighttime residence that is a room in a hotel or motel in Orange County to reside there for more than fourteen (14) days.
 - 3.11.5.3 Credible evidence indicating that the owner or renter of the housing located in Orange County will not allow the individual or family to stay for more than fourteen (14) days. Any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for the purposes of this clause.
- 3.11.6 An individual or family who has no subsequent residence identified in Orange County.
- 3.11.7 An individual or family who lacks the resources or support networks needed to obtain other permanent housing in Orange County and whose previous housing was located in Orange County

3.11.8 Unaccompanied youth and an individual with children and youth who are defined as homeless under any federal statute, as of the effective date of this program, who meet all of the following:

- 3.11.8.1 Have experienced a long-term period without living independently in permanent housing.
- 3.11.8.2 Have experienced persistent instability as measured by frequent moves over that long-term period.
- 3.11.8.3 Can be expected to continue in that status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

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- 3.12 Homeless Management Information System (HMIS): The HUD mandated database used to collect Participant-level data on the provision of housing and homeless services to people experiencing homelessness and those at risk of homelessness.
- 3.13 Eligible Participant or Participant: A family or individual experiencing homelessness or at risk of homelessness in Orange County with income at or below 60% of Area Median Income adjusted by household size.
- 3.14 Housing Navigation: A community-based, solution-focused strategy that assists individuals and families with complex and frequently occurring issues that prevent them from accessing and maintaining stable housing.
- 3.15 HUD: U.S. Department of Housing and Urban Development (HUD) established the regulations and requirements for the CDBG ~~and CDBG-CV3~~ Program and has oversight responsibilities for the use of CDBG funds provided to entitlement communities that CDBG ~~and CDBG-CV3~~ allocation is based upon.
- 3.16 Integrated Disbursement and Information System (IDIS): The draw down and reporting system and nationwide database that provides HUD with current information regarding the CDBG ~~and CDBG-CV3~~ Program activities underway across the United States, including funding data.
- 3.17 Low Income Households: Participants who have income at or below 50 percent of AMI, adjusted for household size.

- 3.18 Moderate Income Households: Participants who have income greater than 50 percent AMI but at or below 80 percent AMI adjusted for household size.
- 3.19 Office of Care Coordination: The Division in the County Executive Office (CEO) that coordinates homeless services programs for Participants.
- 3.20 Operating Costs/Start Up Costs: The costs incurred for the start-up and ongoing operation of homeless services, including initial purchases of vital supplies needed and supportive services.
- 3.21 Outreach: The linkage of potential Participants to appropriate supportive services, which may include activities that involve educating the community about services offered and requirements for participation in programs.

4. POPULATION TO BE SERVED

4.1 City shall provide services to Eligible Participants in the City of Laguna Beach.

5. CITY RESPONSIBILITIES

5.1 CDBG ~~and CDBG-CV3~~ Program Activities.

5.1.1 City shall contract directly with, make payments for, and collect applicable back-up documentation of all CDBG ~~and CDBG-CV3~~ homeless services as provided by City staff or subrecipient(s) providing direct homeless services to Participants and shall provide oversight of those homeless service activities, contracts, service components, eligible costs and program requirements set forth in the CDBG ~~and CDBG-CV3~~ Guidelines, including:

CDBG Funding:

- 5.1.1.1 Payment of transportation costs (van agreement up to \$27,156), to transport Participants to and from the program daily, on a reimbursement basis for emergency shelter operations.
- 5.1.1.2 Case management and ongoing operations, including essential services and activities, on a reimbursement basis for emergency shelter operations.
- 5.1.1.3 Provision of assistance to 45 Participants who are experiencing homelessness and are enrolled in the Alternative Sleeping Location Program.

~~CDBG-CV3 Funding:~~

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Commented [RC1]: Hi Karen, made this edit here to strike-through CBDG CV3 funding requirements.

~~5.1.1.4 Provide a 12-hour, seven days a week mobile crisis response program comprised of community-based stabilization services to individuals experiencing homelessness in the City of Laguna Beach.~~

~~5.1.1.5 Provide services that target vulnerable individuals experiencing mental health, substance use as well as other non-medical emergency challenges and be used as a diversion from hospitalizations or treatment facilities.~~

~~5.1.1.6 The mobile program will demonstrate an average of 90 percent of in-field crisis stabilization.~~

5.2 CDBG ~~and CDBG-CV3~~ Administrative Responsibilities.

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5.2.1 City shall:

5.2.1 Provide the oversight, administration, and project management necessary to accomplish all contracted activities in a timely manner.

5.2.2 Comply with all applicable HUD regulations, as described in Paragraph 9 “Federal Administrative and Related Requirements” of this MOU, concerning administrative requirements and maintain records as to services provided and total number of persons served through the project, including but not limited to, population-served analysis (i.e., extremely low income persons, very-low income persons, and low-income persons as defined by HUD).

5.2.3 Timely process requests for reimbursement payments and claims to County for reimbursement for services provided under this MOU, in accordance with HUD requirements and deadlines. These include:

5.2.3.1 Quarterly processing of reimbursement payments and claims

5.2.3.2 Tracking reimbursement payments and claims

5.2.3.3 Year End GPR Information Form by August 14, after the close of the Contract fiscal year in a format approved by County.

5.2.3.4 Project Close-outs

5.2.4 Provide information deemed necessary by County to assist in the completion of any CDBG ~~and CDBG-CV3~~ required reports including providing CSV and HMIS reports related to the services provided under the MOU.

5.2.5 Provide to County, by the fifteenth (15th) calendar day quarterly, a quarterly report for the preceding quarter, in a format approved by County in order to be reimbursed for payment. Quarters under this MOU are defined in Paragraph 11. Data elements in the quarterly report shall include, but are not limited to, the following:

- 5.2.5.1 Number of Participants assisted with services
- 5.2.5.2 Participants' household income and demographics
- 5.2.5.4 Type of Services utilized
- 5.2.5.5 Number of housing services provided
- 5.2.5.6 Number of Participants who exited the Program and disposition upon exit from the Program

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- 5.2.6 Conduct onsite inspection/monitoring to ensure minimum habitability standards are met at identified facility.
- 5.2.7 Conduct quality control inspection of participant records in HMIS.
- 5.2.8 Assist County with any Audits deemed necessary by HUD.
- 5.2.9 Attend County trainings and conferences that will include, but not be limited to, new HUD regulations impacting CDBG ~~and CDBG-CV3~~ funding and documentation of procedures and dissemination of data changes to staff.

6. COUNTY RESPONSIBILITIES.

6.1 County will act as a pass-through agency for CDBG ~~and CDBG-CV3~~ funds. Except for County's responsibility related to the CDBG ~~and CDBG-CV3~~ Program as set forth in this MOU, City is responsible for CDBG ~~and CDBG-CV3~~ program homeless activities per CDBG ~~and CDBG-CV3~~ Program requirements as reasonably requested by or set by County.

7. MUTUAL RESPONSIBILITIES

- 7.1 County and City are mutually responsible for:
 - 7.1.1 Participating in meetings to address service delivery issues on a quarterly basis or as requested by either Party.
 - 7.1.2 Attending training and conferences that will include, but not be limited to, new federal regulations impacting CDBG ~~and CDBG-CV3~~ funding and documentation of procedures and dissemination of data/changes to staff.

8. PERFORMANCE MONITORING AND REVIEWS

8.1 City's performance shall be monitored and reviewed by County bi-annually, at the beginning of the fiscal year and middle of the year, or more frequently, as needed by County. City shall cooperate and assist County staff in monitoring performance. County staff will conduct case reviews as part of an on-going evaluation of City's performance. County may use a variety of inspection methods to evaluate City's performance, including but not limited to:

- 8.1.1 Random sampling of program activities including a review of case files biannually, or as needed by County;
- 8.1.2 Inspect activity checklists and random observations;
- 8.1.3 Inspect output items on a periodic basis as deemed necessary by County;
- 8.1.4 Review monthly statistical reports;
- 8.1.5 Review complaints made by Participants and/or review Participant questionnaires; and

8.1.6 Review service provider complaints or reports.

8.2 County may require corrective action plans when County determines that services are performed unsatisfactorily during the review period. City shall remedy the performance defects within the time period specified in the corrective action plan.

8.3 Performance evaluation meetings will be conducted by County staff as necessary.

8.4 City shall cooperate with County in providing the information necessary for monitoring this MOU and with authorized State representatives who may audit CDBG ~~and CDBG-CV3~~ Program services.

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9. FEDERAL ADMINISTRATIVE AND RELATED REQUIREMENTS:

9.1 City shall comply with all federal requirements as it pertains for 24 CFR Parts 91 and 570. City, as subrecipient, acknowledges that administration of its operation and services are subject to the requirements as established in 2 CFR Part 200, et al. City, as subrecipient, shall procure all materials, property, or services in accordance with the requirements of 2 CFR § 200.318-326.

10. BUDGET

10.1 The amount of CDBG ~~and CDBG-CV3~~ Funds allocated to City under this MOU for year one is as outlined below and shall be used for eligible homeless services activities up to the not to exceed amount for such activities, as further explained in the tables below.

| Funding Source | Amount | Eligible Activity |
|----------------|-----------|-------------------------------------|
| CDBG | \$27,156 | Transportation for Participants |
| | \$113,170 | Essential Services for Participants |
| | \$140,326 | TOTAL |

11. STATEMENT OF COSTS

11.1 City shall submit an invoice, expenditure and revenue report, and detailed expense report to County quarterly by the fifteenth (15th) of the month for the costs of services rendered under this MOU for reimbursement for an amount not to exceed the allowable costs for CDBG ~~and CDBG-CV3~~ funds used.

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11.2 Quarters under this MOU are defined as April through June, July through September, October through December and January through March.

11.3 County shall process quarterly invoices by the fifteenth (15th) calendar day of the month following the end of each quarter, for the actual allowable costs incurred for staffing and supplies needed to provide the services herein.

11.4 City shall provide the June estimated costs by June 10th and follow up of actual cost reconciliation due no later than July 10th.

11.5 City shall provide timely budgetary information upon request from County, for inclusion in the Annual Report, and any other required state reports and/or audits.

11.6 City shall comply with any and all state programmatic guidelines developed for the use of funds, including state subrecipient monitoring, reporting requirements, and audits.

12. FACILITIES:

12.1 It is mutually understood that City will provide services at the following facilities:

12.1.1 Alternative Sleeping Location - 20652 Laguna Canyon Rd, Laguna Beach, CA 9265

12.2 City and County may mutually agree in writing to add, change, modify, or delete facility location(s) as necessary to best serve the needs of County and Participants to be served under this MOU.

13. NON-DISCRIMINATION

13.1 In the performance of this MOU, City agrees that it shall not engage nor employ any unlawful discriminatory practices in the admission of Participants, provision of services

or benefits, assignment of accommodations, treatment, evaluation, employment of personnel, or in any other respect, on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status, or any other protected group, in accordance with the requirements of all applicable federal or State laws.

13.2 City shall furnish any and all information requested by County and shall work with County staff to permit County access, during business hours, to books, records, and accounts in order to ascertain City’s compliance.

13.3 Non-Discrimination in Service Delivery

13.3.1 City shall comply with Titles VI and VII of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; the Food Stamp Act of 1977, as amended, and in particular 7 Code of Federal Regulations (CFR) section 272.6; Title II of the Americans with Disabilities Act of 1990; California Civil Code Section 51 et seq., as amended; California Government Code (CGC) Sections 11135-11139.5, as amended; CGC Section 12940 (c), (h), (i), and (j); CGC Section 4450; Title 22, California Code of Regulations (CCR) Sections 98000-98413; the Dymally-Alatorre Bilingual Services Act (CGC Section 7290-7299.8); Section 1808 of the Removal of Barriers to Interethnic Adoption Act of 1996; and other applicable federal and State laws, as well as their implementing regulations (including Title 45 CFR Parts 80, 84, and 91; Title 7 CFR Part 15; and Title 28 CFR Part 42), and any other law pertaining to Equal Employment Opportunity, Affirmative Action, and Nondiscrimination, as each may now exist or be hereafter amended.

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14. SUBCONTRACTS

14.1 City shall not subcontract for services under this MOU without the prior written consent of County. If County consents in writing to a subcontract, in no event shall the subcontract alter, in any way, any legal responsibility of City to County. All subcontracts must be in writing and copies of same shall be provided to County, City shall include in each subcontract any provision County may require. City agrees to include all CDBG ~~and~~ ~~CDBG-CV3~~ Program funding requirements in each subcontract.

14.2 City and its subcontractor(s) shall establish and maintain accurate and complete financial records related to services provided under the terms of this MOU. Such records may be subject to the satisfaction of County, and to the examination and audit by County or designee, for a period of five (5) years or until any pending audit is completed, whichever is later.

15. CONFIDENTIALITY

15.1 All records and information concerning any and all persons referred to City by County or County's designee shall be considered and kept confidential by City, City's employees, agents, subcontractors, and all other individuals performing services under this MOU. City shall require all of its employees, agents, subcontractors, and all other individuals performing services under this MOU to sign an agreement with City before commencing the provision of any such services, agreeing to maintain confidentiality pursuant to this MOU.

15.2 City shall inform all of its employees, agents, subcontractors, and all other individuals performing services under this MOU of this provision and that any person violating the provisions of said California state law may be guilty of a crime.

15.3 City agrees that any and all subcontracts entered into shall be subject to the confidentiality requirements of this MOU.

16. PUBLICITY, LITERATURE, ADVERTISEMENTS AND SOCIAL MEDIA

16.1 County owns all rights to the name, logos, and symbols of County. The use and/or reproduction of County's name, logos, or symbols for any purpose, including commercial advertisement, promotional purposes, announcements, displays, or press releases, without County's prior written consent is expressly prohibited.

16.2 City may develop and publish information related to this MOU only where all of the following conditions are satisfied:

16.2.1 County provides its written approval of the content and publication of the information at least thirty (30) days prior to City publishing the information, unless a different timeframe for approval is agreed upon by County;

16.2.2 Unless directed otherwise by County, the information includes a statement that the program, wholly or in part, is funded through County, State and Federal Government funds;

16.2.3 The information does not give the appearance that County, its officers, employees, or agencies endorse:

16.2.3.1 any commercial product or service; and,

16.2.3.2 any product or service provided by City, unless approved in writing by County; and

16.3 If City uses social media (such as Facebook, Twitter, YouTube or other publicly available social media sites) to publish information related to this MOU, City shall develop social media policies and procedures and have them available to County. City shall comply with County Social Media Use Policy and Procedures as they pertain to any social media developed in support of the services described within this MOU. The policy is available on the Internet at <http://www.ocgov.com/gov/ceo/cio/govpolicies>.

17. INDEMNIFICATION

17.1 City agrees to indemnify, defend with counsel approved in writing by County, and hold U.S. Department of Health and Human Services, the State, County, and their elected and appointed officials, officers, employees, agents, and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands, or liability of any kind or nature, including, but not limited to, personal injury or property damage, arising from or related to the services, products, or other performance provided by City pursuant to this MOU. If judgment is entered against City and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, City and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

18. INSURANCE

18.1 Prior to the provision of services under this MOU, City agrees to purchase all required insurance at City's expense, including all endorsements required herein or maintain a program of self insurance, necessary to satisfy County that the insurance provisions of this MOU have been complied with. City agrees to keep such insurance or self insurance coverage, Certificates of Insurance and endorsements on deposit with County during the entire term of this MOU. In addition, all subcontractors performing work on behalf

of City pursuant to this MOU shall obtain insurance subject to the same terms and conditions as set forth herein for City.

- 18.2 City shall ensure that all subcontractors performing work on behalf of City pursuant to this MOU shall be covered under City's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for City. City shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from City under this MOU. It is the obligation of City to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by City through the entirety of this MOU for inspection by County representative(s) at any reasonable time.
- 18.3 All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any SIR in an amount in excess of fifty thousand dollars (\$50,000), shall specifically be approved by the County of Orange Risk Manager, or designee, upon review of City's current audited financial report. If City's SIR is approved, City, in addition to, and without limitation of, any other indemnity provision(s) in the MOU, agrees to all of the following:
- 18.3.1 In addition to the duty to indemnify and hold County harmless against any and all liability, claim, demand or suit resulting from City's agents, employees or subcontractor's performance of this MOU, City shall defend County at its sole cost and expense with counsel approved by Board of Supervisors against same; and City's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 18.3.2 The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and City's SIR provisions shall be interpreted as though City was an insurer and County was the insured.
- 18.4 If City fails to maintain insurance acceptable to County for the full term of this MOU, County may terminate this MOU.
- 18.5 Qualified Insurer:
- 18.5.1 The commercial policy or policies of insurance required herein must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII

(Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com).

- 18.6 If the Insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial rating.
- 18.7 The policy or policies of insurance maintained by City shall provide the minimum limits and coverage as set forth below:

| <u>Coverage</u> | <u>Minimum Limits</u> |
|--------------------------------------|---|
| Commercial General Liability | \$1,000,000 per occurrence \$2,000,000 aggregate |
| Commercial Auto Liability | \$1,000,000 combined single limit each accident |
| Workers' Compensation | Statutory |
| Employer's Liability Insurance | \$1,000,000 per accident or disease |
| Network Security & Privacy Liability | \$1,000,000 per claims made |
| Sexual Misconduct | \$1,000,000 per occurrence |

18.8 Required Coverage Forms

- 18.8.1 Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01 or a substitute form providing liability coverage at least as broad.
- 18.8.2 Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20 or a substitute form providing coverage at least as broad.

18.9 Required Endorsements

- 18.9.1 Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:
 - 18.9.1.1 An Additional Insured endorsement using ISO form CG 20 26 04 13, or a form at least as broad, naming the County of Orange, its elected and appointed officials, officers, agents and employees as Additional Insured or provide blanket coverage, which will state AS REQUIRED BY WRITTEN CONTRACT.

- 18.9.1.2 A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that City's insurance is primary, and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.
- 18.9.2 The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance.
 - 18.9.2.1 An Additional Insured endorsement naming the County of Orange, its elected and appointed officials, officers, agents and employees as Additional Insured for its vicarious liability.
 - 18.9.2.2 A primary and non-contributing endorsement evidencing that the City's insurance is primary, and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.
- 18.10 The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees or provide blanket coverage, which will state AS REQUIRED BY WRITTEN CONTRACT.
- 18.11 All insurance policies required by this MOU shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.
- 18.12 City shall notify County in writing within thirty (30) calendar days of any policy cancellation and ten (10) calendar days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the contract, upon which the County may suspend or terminate this MOU.
- 18.13 If City's Network Security & Privacy Liability is a "Claims-Made" policy, City shall agree to the following:
 - 18.14 The retroactive date must be shown and must be before the date of the MOU or the beginning of the Contract services.
 - 18.15 Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of Contract services.

- 18.16 If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the contract services, City must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier termination of the Contract.
- 18.17 The Commercial General Liability policy shall contain a "severability of interests" clause also known as a "separation of insured" clause (standard in the ISO CG 0001 policy).
- 18.18 Insurance certificates should be mailed to County at the address indicated in Paragraph 23 of this MOU.
- 18.19 Failure of City to provide the insurance certificates and endorsements within seven (7) calendar days of notification by CEO/County Procurement Office or County, will result in breach of this MOU.
- 18.20 County expressly retains the right to require City to increase or decrease insurance of any of the above insurance types throughout the term of this MOU. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.
- 18.21 County shall notify City in writing of changes in the insurance requirements. If City does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty (30) calendar days of receipt of such notice, this MOU may be in breach without further notice to City, and County shall be entitled to all legal remedies.
- 18.22 The procuring of such required policy or policies of insurance shall not be construed to limit City's liability hereunder nor to fulfill the indemnification provisions and requirements of this MOU, nor act in any way to reduce the policy coverage and limits available from the insurer.

19. SECURITY

19.1 Security Requirements

- 19.1.1 City agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exists or exists at any time during the term of this MOU. City represents and warrants that it has implemented and will maintain

during the term of this MOU administrative, physical, and technical safeguards to reasonably protect private and confidential Participant information, to protect against anticipated threats to the security or integrity of County data, and to protect against unauthorized physical or electronic access to or use of County data. Such safeguards and controls shall include at a minimum:

- 19.1.1.1 Storage of confidential paper files that ensures records are secured, handled, transported, and destroyed in a manner that prevents unauthorized access.
- 19.1.1.2 Control of access to physical and electronic records to ensure County data is accessed only by individuals with a need to know for the delivery of MOU services.
- 19.1.1.3 Control to prevent unauthorized access and to prevent City employees from providing County data to unauthorized individuals.
- 19.1.1.4 Firewall protection.
- 19.1.1.5 Use of encryption methods of electronic County data while in transit from City networks to external networks, when applicable.
- 19.1.1.6 Measures to securely store all County data, including, but not be limited to, encryption at rest and multiple levels of authentication and measures to ensure County data shall not be altered or corrupted without County's prior written consent. City further represents and warrants that it has implemented and will maintain during the term of this MOU administrative, technical, and physical safeguards and controls consistent with State and federal security requirements.

19.2 Security Breach Notification

- 19.2.1 City shall have policies and procedures in place for the effective management of Security Breaches, as defined below. In the event of any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance City experiences or learns of that either compromises or could reasonably be expected to compromise County data through unauthorized use, disclosure, or acquisition of County data ("Security Breach"), City shall immediately notify County of its discovery. After such notification, City shall, at its own expense, immediately:

- 19.2.1.1 Investigate to determine the nature and extent of the Security Breach.
- 19.2.1.2 Contain the incident by taking necessary action, including, but not limited to, attempting to recover records, revoking access, and/or correcting weaknesses in security.
- 19.2.1.3 Report to County the nature of the Security Breach, the County data used or disclosed, the person who made the unauthorized use or received the unauthorized disclosure, what City has done or will do to mitigate any harmful effect of the unauthorized use or disclosure, and the corrective action City has taken or will take to prevent future similar unauthorized use or disclosure.

19.2.2 County, at its sole discretion and on a case-by-case basis, will determine what actions are necessary in response to the Security Breach and who will perform these actions. Actions may include but are not limited to: notifications; investigation and remediation costs, including notification of all whose personal information was disclosed; outside investigation; forensics; counsel; crisis management; and credit monitoring. In the event County determines City will conduct additional action(s), City shall bear the costs. In the event County conducts additional actions(s) arising out of or in connection with a Security Breach, City shall reimburse County for costs associated to legally required actions.

20. NOTIFICATION OF INCIDENTS, CLAIMS, OR SUITS

- 20.1 City shall notify County as soon as possible and as appropriate, of the following:
 - 20.1.1 Any accident or incident relating to services performed under this MOU that involves injury or property damage which may result in the filing of a claim or lawsuit against City and/or County.
 - 20.1.2 Any third-party claim or lawsuit filed against City arising from or relating to services performed by City under this MOU.
 - 20.1.3 Any injury to an employee of City that occurs on County property.
 - 20.1.4 Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to City under the term of this MOU.

21. RECORDS

21.1 Participant Records

21.1.1 City shall prepare and maintain accurate and complete records of Participants served and dates and type of services provided under the terms of this MOU in a form acceptable to County. Such records constitute County data.

21.1.2 City shall keep all County data provided to or prepared by City during the term(s) of this MOU for a minimum of five (5) years from the date of final payment under this MOU or until all pending County, State, and federal audits are completed, whichever is later. County data shall be stored in Orange County, unless City requests and County provides written approval for the right to store County data in another county. Notwithstanding anything to the contrary, upon termination of this MOU, City shall relinquish control with respect to County data to County. City shall return all County data to County in the file format specified by County within thirty (30) calendar days of termination of MOU. City at its own expense shall erase, destroy, and render unreadable all data in its entirety remaining in City's (including any subcontractor's) possession and any system City directly or indirectly uses or controls, and any copies thereof, but only after County data has been returned to County.

21.2 Public Records

21.2.1 To the extent permissible under the law, all records, including, but not limited to, reports, audits, notices, claims, statements, and correspondence, required by this MOU may be subject to public disclosure by County. County will not be liable for any such disclosure.

21.2.2 City shall promptly notify County of any California Public Records Act (PRA) requests City receives that is related to, or arising out of, this MOU, but in no event later than forty-eight (48) hours of receipt. City shall not respond to PRA requests without first notifying County. City shall provide its intended responses to County with adequate time for County to review, revise, and, if necessary, seek a protective order in a court of competent jurisdiction.

21.2.3 City shall promptly notify County of any requests City receives that in any way might reasonably require access to County data. City shall not respond to subpoenas, service of process, and other legal requests directed at City regarding this MOU without first notifying County, unless prohibited by law from providing such notification. City shall not respond to legal requests directed at County unless authorized in writing to do so by County.

22. PERSONNEL DISCLOSURE

22.1 This Paragraph 22 applies to all of City's personnel providing services through this MOU, paid and unpaid (herein referred to as "Personnel").

22.2 City shall make available to County a current list of all Personnel providing services hereunder, including résumés and job applications, within thirty (30) calendar days of County's request. Changes to the list will be immediately recorded by City and provided to County in writing, along with a copy of a résumé and/or job application within thirty (30) calendar days of the County's request. The list shall include:

22.2.1 Names and dates of birth of all Personnel by title, whose direct services are required to provide the programs described herein;

22.2.2 A brief description of the functions of each position and the hours each person works each week, or for part-time Personnel, each day or month, as appropriate;

22.2.3 The professional degree, if applicable, and experience required for each position; and

22.2.4 The language skill, if applicable, for all Personnel.

22.3 City warrants that all Personnel assigned by City to provide services under this MOU have satisfactory past work records and/or reference checks indicating their ability to perform the required duties and accept the kind of responsibility anticipated under this MOU. City shall maintain records of background investigations and reference checks undertaken and coordinated by City for Personnel assigned to provide services under this MOU, for a minimum of five (5) years from the date of final payment under this MOU, or until all pending County, State, and federal audits are completed, whichever is later, in compliance with all applicable laws.

23. NOTICES

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

COUNTY: County Executive Office
Procurement Office
400 W. Civic Center Drive, 5th Fl Santa
Ana, CA 92701
CITY: City of Laguna Beach
Attn: City Manager's Office
505 Forest Avenue
Laguna Beach, CA 92651

- 23.2 All notices shall be deemed effective when in writing and deposited in the United States mail, first class, postage prepaid and addressed as above. Any communications, including notices, requests, claims, correspondence, reports, and/or statements authorized or required by this MOU, addressed in any other fashion shall be deemed not given. The Parties each may designate by written notice from time to time, in the manner aforesaid, any change in the address to which notices must be sent.

24. CONFLICT OF INTEREST

- 24.1 City shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of County. This obligation applies to City and City's employees, agents, and subcontractors associated with accomplishing work and services hereunder. City's efforts shall include, but not be limited to, establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of County.

25. POLITICAL ACTIVITY

- 25.1 City agrees that the funds provided herein will not be used to promote, directly or indirectly, any political party, political candidate, or political activity, except as permitted by law.

26. TERMINATION

- 26.1 County may terminate this MOU without penalty, immediately with cause or after thirty (30) calendar days' written notice without cause, unless otherwise specified. Notice shall be deemed served on the date of mailing. Cause shall include, but not limited to, any breach of this MOU, any partial misrepresentation whether negligent or willful, fraud on the part of City, discontinuance of the services for reasons within City's reasonable control and repeated or continued violations of County ordinances unrelated to performance under this MOU that, in the reasonable opinion of County, indicate a willful or reckless disregard for County laws and regulations. Exercise by County of the right to terminate this MOU shall relieve County of all further obligations under this MOU.
- 26.2 For ninety (90) calendar days prior to the expiration date of this MOU, or upon notice of termination of this MOU ("Transition Period"), City agrees to cooperate with County in the orderly transfer of service responsibilities, case records, and pertinent documents. The Transition Period may be modified as agreed upon in writing by the Parties. During the Transition Period, services and data access shall continue to be made available to County without alteration. City also shall assist County in extracting and/or transitioning all data in the format determined by County.
- 26.3 In the event of termination of this MOU, cessation of business by City, or any other event preventing City from continuing to provide services, City shall not withhold the County data or refuse for any reason, to promptly provide to County the County data if requested to do so on such media as reasonably requested by County, even if County is then or is alleged to be in breach of this MOU.
- 26.4 The obligations under this MOU utilize County resources, for which funding, or portions of funding, may be contingent upon the State and/or federal budget; receipt of funds from and/or obligation of funds by the State and/or Federal Government; and inclusion of sufficient funding for the services hereunder in the budget approved by the County's Board of Supervisors for each fiscal year covered by this MOU. If such approval, funding, or appropriations are not forthcoming, or are otherwise limited, County may terminate, reduce, or modify this MOU without penalty.
- 26.5 If any term, covenant, condition, or provision of this MOU or the application thereof is

held invalid, void, or unenforceable, the remainder of the provisions in this MOU shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

27. SIGNATURE IN COUNTERPARTS

27.1 The Parties agree that separate copies of this MOU may be signed by each of the Parties, and this MOU will have the same force and effect as if the original had been signed by all Parties. City represents and warrants that the person executing this MOU on behalf of and for City is an authorized agent who has actual authority to bind City to each and every term, condition and obligation of this MOU and that all requirements of City have been fulfilled to provide such actual authority.

28. GENERAL PROVISIONS

- 28.1 Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between County and any Participant, or any of City's agents or employees.
- 28.2 This MOU represents the entire understanding of the Parties with respect to the subject matter. No change, modification, extension, termination or waiver of this MOU, or any of the understandings herein contained, shall be valid unless made in writing and signed by duly authorized representatives of the Parties hereto.
- 28.3 This MOU has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this MOU, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.
- 28.4 City warrants that it and its Personnel, described in Paragraph 22 of this MOU, who are subject to individual registration and/or licensing requirements, have all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, and all other appropriate governmental agencies to perform the services described in this MOU, and agrees to maintain, and require its Personnel to maintain, these licenses and permits in effect for the duration of this MOU. City must

notify County within one (1) business day of any change in license or permit status (e.g., becoming expired, inactive, etc.).

28.5 In the performance of this MOU, City shall comply with all applicable laws and regulations of the United States, State of California, County of Orange, and County of Orange Health Care Agency, and all administrative regulations, rules, and policies adopted thereunder, as each and all may now exist or be hereafter amended.

28.6 In the performance of this MOU, City may neither delegate its duties or obligations nor assign its rights, either in whole or in part, without the prior written consent of County. Any attempted delegation or assignment without prior written consent shall be void.

28.7 The various headings, numbers, and organization herein are for the purpose of convenience only and shall not limit or otherwise affect the meaning of this MOU. WHEREFORE, the Parties hereto have executed the Memorandum of Understanding in the County of Orange, California.

Amendment No.1

By: _____
Douglas Becht
County of Orange
County Executive Office
Office of Care Coordination, Director

By: _____
~~Shohreh Dupuis~~
Dave Kiff
City Manager
City of Laguna Beach

Dated: _____

Dated: _____

Approved As To Form
~~CEO Counsel~~ LEON J. PAGE,
County Counsel, County of Orange, California

By: _____
Chris Anderson, Deputy

Dated: _____