CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number_____

Meeting Type: Regular

Meeting Date: 8/28/2014

Action Requested By:
Community
Development

Agenda Item Type

Resolution

Subject Matter:

Resolution to award the Village of Promise with 2014 Community Development Block Grant (CDBG) Public Services funds.

Exact Wording for the Agenda:

Resolution to award the Village of Promise with CDBG Public Services funds in order to serve elementary to college age students.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow
and accomplish and; any other information that might be helpful.

Resolution to award the Village of Promise with CDBG Public Service funds in order to serve middle school to college age students. The City shall provide $12,500.00 in CDBG Public Services funds to the Agency for the operation of the Randolph Challenge, and the Strings that Sing-Violin Program

Associated Cost: 0.00

Budgeted Item: No

MAYOR RECOMMENDS OR CONCURS: No

Department Head: _____

Date: 7/30/2014

revised 3/12/2012

ROUTING SLIP
CONTRACTS AND AGREEMENTS

Originating Department: **Community Development** Council Meeting Date: 8/28/2014

Department Contact: **Turkessa Coleman Lacey** Phone # **Ext. 5418**

Contract or Agreement: **Agreement**

Document Name: **Agreement between the City of Huntsville and the Village of Promise**

City Obligation Amount: **$0.00**

Total Project Budget: **$12,500.00**

Uncommitted Account Balance: **$0.00**

Account Number: **N/A**

Procurement Agreements

Not Applicable	**Not Applicable**

Grant-Funded Agreements

Federal HUD	**Grant Name:** Community Development Block Grant (CDBG)-Public Services

Department	Signature	Date
1) Originating		8/5/14
2) Legal	Mary C. Coles	8/7/14
3) Finance		8/8
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

Revised 04/15/2011

RESOLUTION NO. 14-_____

WHEREAS, the City of Huntsville, Alabama received a grant under Title I of the Housing and Community Development Act of 1974, as amended, from the U.S. Department of Housing and Urban Development, herein after referred to as HUD, known as Grant No. B-14-MC-01-0005; and

WHEREAS, the City desires to pass along a portion of the funds from Grant No. B-14-MC-01-0005 to the Village of Promise, Inc. in accordance with the terms of the said grant; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor of the City of Huntsville is hereby authorized, requested and directed to enter into an agreement with the Village of Promise, Inc., said contract being substantially similar in words and figures to that document identified as "Agreement Between the City of Huntsville, AL and the Village of Promise, Inc., consisting of 15 pages with the signature of the Council President or President Pro tem, and the date 08-28-2014 on the margin of the first page, a copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville.

ADOPTED this the 28th day of August, 2014.

_____
President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 28th day of August, 2014.

_____
Mayor of the City of Huntsville

"AGREEMENT BETWEEN THE CITY OF HUNTSVILLE, ALABAMA AND THE VILLAGE OF PROMISE

THIS AGREEMENT, entered into this the 28th day of August 2014, between the City of Huntsville Alabama, hereinafter referred to as the City, and the Village of Promise, Inc., hereinafter known as the AGENCY.

WHEREAS, the City received a grant under Title I of the Housing and Community Development Act of 1974 as amended, from the Office of the U.S. Department of Housing and Urban Development, known as Grant No. B-14-MC-01-0005.

WHEREAS, the City desires to engage the Agency to render certain services in connection therewith:

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. PROJECT DESCRIPTION. The City shall provide CDBG Public Services funds to the Agency for in the amount of $12,500.00 for the operation of the Randolph Challenge, and the Strings that Sing-Violin Program. The Randolph Challenge is an academic competition developed to celebrate and reward academic achievements of students in the Village of Promise neighborhood and students in other schools in the community. The students are tutored and prepared all year in an after school setting in collaboration with the teachers in the neighborhood schools. The Strings that Sing-Violin Program is a cultural enrichment program that was developed in collaboration with the Huntsville Symphony to provide music and violin instruction for elementary students in the Village of Promise neighborhood. Services include: violin instruction during the school day to every second grade student in the spring of each school year; after school violin instruction to third, fourth, and fifth grade students who have participated in the second grade program and show an aptitude for and interest in music and the violin.

Funds shall be expended as described in Part V of this Agreement. The Agency will provide for the administration of the program for the term of this Agreement.

II. PROJECT LOCATION. All financial records and activities related to the project will be maintained at the Agency office on 200 Pratt Avenue, Suite B-2, Huntsville, Alabama 35801.

III. SERVICES TO BE PROVIDED. The Agency shall, in a satisfactory and proper manner, as determined by the Community Development Division (COD) of the City of Huntsville, perform the following services:

A. The Agency shall operate three (3) programs that will focus on eradicating generational poverty in the selected Village of Promise target neighborhood(s).

B. The program shall assist approximately 10-25 youth on an annual basis.

C. Expenses reimbursed by the City shall only be for the salary of a Program Coordinator who coordinates students, volunteers, transportation, food, and program logistics.

08-28-2014 _____

President or President Pro tem,
City Council Huntsville, Alabama

IV. TIME OF PERFORMANCE. The services of the Agency shall be undertaken beginning on August 28, 2014 and be completed by May 31, 2015. All documentation must be completed no later than May 31, 2015.

V. COMPENSATION AND METHOD OF PAYMENT. *Due to federal requirements established by the Department of Housing and Urban Development, requests for funds must be made on a monthly basis. A Request for Payment which is supported by evidence that the services have actually been performed, expenses incurred and a description of the work activity accomplished must be submitted from the Agency to the City prior to the 15th day the month.* **The *Agency is subject* to a *loss* or a *portion* or *its funds for* non-compliance.** It is the policy of HUD and the City to make funds available to the Agency on a reimbursable basis. If any "program income" is generated by the Agency, it shall be returned to the City. Community Development Block Grant assistance shall not exceed the total amount of ($12,500.00) for all services required hereunder. Community Development Block Grant funds shall be expended as delineated below:

BOYS & GIRLS CLUB COST CATEGORY		
ACCOUNT NUMBER	**ACCOUNT NAME**	**AMOUNT**
511	Legal and Professional Services*	$12,500.00
	Total	**$12,500.00**

*(Staff Salaries)

VI. REPORTS, REPORT CONTROL, AND CONTROL INFORMATION

A. REPORT CONTROL. Reports related to this project will be maintained by the Agency as a permanent, separate, identifiable file subject to periodic audits by the City, the Department of Housing and Urban Development, the Comptroller General, or any of their duly authorized representatives.

B. AGENCY MONTHLY REPORTS. A written monthly report reflecting Agency operations shall be submitted by the Agency to the City no later than the fifth calendar day of each month.

C. FORMS. All forms bearing a Community Development Form Number (Community Development Division Forms) will be provided by the City.

D. REPORTS CONTROL PERSONNEL. Upon execution of this contract, the Agency shall designate those members of the Agency staff who will be totally responsible to the City for Agency reports. All Agency contact regarding matters of reporting under this contract will be directed to the attention of the designated individuals.

E. PENALTY FOR REPORT DEFICIENCIES AND DELINQUENCIES. The City will inventory and examine Agency reports prior to each request for Community Development funds, being especially mindful to report completeness. Release of all funds under this contract is contingent upon satisfactory Agency reporting under the terms of this contract. The City shall respond to any report deficiency of delinquency with a letter citing the applicable report deficiency or delinquency.

F. GENERAL REPORT PROVISIONS.

E. PENALTY FOR REPORT DEFICIENCIES AND DELINQUENCIES. The City will inventory and examine Agency reports prior to each request for Community Development funds, being especially mindful to report completeness. Release of all funds under this contract is contingent upon satisfactory Agency reporting under the terms of this contract. The City shall respond to any report deficiency of delinquency with a letter citing the applicable report deficiency or delinquency.

F. GENERAL REPORT PROVISIONS.

1. Data requirements, reporting format, and submission times will be specified by the City for all reporting.

2. From time to time, as the City may determine, data in addition to that specifically required of the Agency in support of planning and/or evaluation.

3. The City will make the final determination regarding delinquent of deficient reports, and generally, regarding any matter of report provisions where interpretation may be required.

4. No exception will be made to any part of these report provisions unless the exception is made in writing by the City.

5. Non-compliance with these provisions regarding reporting will be considered sufficient cause for termination of contract.

VII. ITEM(S) OF UNDERSTANDING.

A. PERSONNEL POLICY. It is mutually understood that policies governing personnel shall be written in conformance with Part II, Terms and Conditions entitled "Nondiscrimination".

B. FEDERAL FUNDS. It is mutually understood by the parties hereto that the funds provided hereunder are federal funds.

VIII. BID AND CONTRACT AWARD PROCEDURES. Bids and contract awards for work to be accomplished will be done in accordance with Part II, "Terms and Conditions" which form a part of this contract.

IX. CONFLICT OF INTEREST. The Agency shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using Federal funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which Federal funds are used, where, to his knowledge, he or his immediate family or partner has a financial interest or with whom he is negotiating or has any arrangement concerning prospective employment. The Agency's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the Agency's officers, employees or agents.

X. FINANCIAL MANAGEMENT STANDARDS. The Agency's financial management systems shall provide for:

A. Accurate, current and complete disclosure of the financial results of each federally sponsored project or program in accordance with the reporting requirements. When a Federal sponsoring agency requires reporting on an accrual basis, the recipient shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

B. Records that identify adequately the source and application of funds for federally sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

C. Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

D. Comparison of actual outlays with budget amounts for each grant or other agreement. Whenever appropriate or required by Federal sponsoring agency, financial information should be related to performance and unit cost data.

E. Procedures for determining the reasonableness, allowibility and allowibility of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant or other agreement.

F. Accounting records that are supported by source documentation.

G. Examinations in the form of audits or internal audits. Such audits shall be made by qualified individuals who are sufficiently independent of those who authorize the expenditure of Federal funds, to produce unbiased opinions, conclusions or judgments. They shall meet the independence criteria along the lines of Chapter 3, Part 3 of the U.S. General Accounting Office publication, Standards for Audit of Governmental Organizations, Programs, Activities and Functions. These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the agreements.

XI. TERMS AND CONDITIONS. This Agreement is subject to and incorporates the provisions of Part II, "Terms and Conditions" which form a part of the contract.

PART II
AGENCY TERMS AND CONDITIONS

The City and AGENCY hereby agree:

1. News Media. Any publicity given to the project herein concerned shall recognize the City of Huntsville and the U.S. Department of Housing and Urban Development.

2. Changes. Any changes in the scope of services of the Agency to be performed hereunder by any party hereto, including any increase or decrease in the amount of consideration, must have prior approval from the City and must be incorporated by a written agreement modifying the terms of this agreement.

3. Findings Confidential. All audit findings, reports, studies, and any other information or data prepared or assembled by the Agency under the terms of this agreement are confidential in nature, and the Agency agrees that they shall not be made available to any individual or organization, other than to an agency of the United States Government, without the prior written approval of the City.

4. Termination of Agreement for Cause.

   A. In accordance with 24 CFR 85.43, if the Agency shall fail to fulfill its obligations under the terms of this agreement in a timely and proper manner, or if the Agency shall violate any of the covenants, terms, or stipulations of this agreement, the City shall thereupon have the right to terminate this agreement by giving written notice to the Agency of such termination, which notice shall specify the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Agency under the terms of this agreement shall, at the option of the City, become the property of the City, and the Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed under the terms of this agreement.

   B. In the event of termination of this agreement under the terms of paragraph 4. A, above, or any other lawful termination of this agreement, the City shall have the right to withhold any payments to the Agency pending determination of compensation due the Agency for work satisfactorily completed.

5. Termination of Agreement for Convenience. In accordance with 24 CFR 85.44, the City may terminate this agreement at any time by giving at least ten (10) days' notice in writing to the Agency. If the agreement is terminated by the City as provided herein, total consideration due the agency shall bear the same ratio to the total consideration called for in this agreement as the services actually performed by the Agency bear to the services called for in this agreement. If, however, less than sixty (60) per cent of the services required under the terms of this agreement have been performed upon the effective date of such termination, the Agency shall be reimbursed such actual expenses incurred by the Agency which are directly attributable to the uncompleted services

required under the terms of this agreement. If this agreement is terminated through fault of the Agency, Paragraph 4 hereof, relative to termination for cause, shall apply.

6. Contractual Noncompliance. Noncompliance with any and/or all parties) of this contract, grant, loan or agreement, as determined by the Community Development Division (or other representatives of the City), may result in the disallowance of costs ... thereby requiring the immediate payback of Federal funds by the Agency to the City within 30 days of such written determination. This requirement applies not only to the period of the contract, grant, loan or agreement but also for! period of three ~ ~ after the contract expiration date.

7. Procurement Standards. The Agency shall establish procedures for the procurement of supplies, equipment, construction and other services, with Federal funds. Such procedures shall be consistent with the following:

   A. No employee, officer, or agent of the Agency shall participate in the selection, award, or administration of any contract in which Federal funds are used, if he, his immediate family, or partner has a financial interest in such contract, or if he, his immediate family or partner has a financial interest in any organization which has a financial interest in said contract. The Agency's officers, employees and agents shall neither solicit, nor accept, gratuities, favors, or anything of monetary value from contractors or potential contractors. The Agency shall provide for appropriate disciplinary action to be taken if any officer, employee, or agent should violate the terms of this paragraph.

   B. All procurement transactions shall be conducted in a manner to provide, to the maximum extent feasible, open and free competition. Awards shall be made to the bidder or offer or whose bid or offer is responsive to the solicitation, and whose bid is most advantageous to the Agency.

   C. The Agency shall establish procurement procedures which provide for, at a minimum, the following procedural requirements:

      i. Proposed procurement actions shall follow a procedure to avoid purchasing unnecessary or duplicate items.
      ii. Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurement, contain features which unduly restrict competition.
      iii. Positive efforts shall be made by the Agency to utilize small business and minority-owned business sources of supplies and services.
      iv. The type of procuring instrument used, e.g., fixed price contract, cost reimbursable contract, purchase order, or incentive contract, shall be determined by the Agency, but must be appropriate for the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

v. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, and accessibility to other necessary resources.

vi. All proposed sole source contracts, or contracts in which only one bid or proposal is received, shall be subject to prior approval by the City.

vii. Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts.

viii. Procurement records and files for purchases shall include the following:

a. Basis for contractor selection or rejection;
b. Justification for lack of competition when competitive bids or offers are not obtained;
c. Basis for award cost or contract price;
d. Rationale for method of procurement; and
e. Selection of contract type.

8. Property Records. A record shall be maintained for each item of non-expendable property required for the program. Non-expendable property is property which will not be consumed or lose its identity by being incorporated into another item of property, which costs fifty dollars ($50.00) or more per unit and which is expected to have a useful life of one year or more. Grouping like items such as chairs, with an aggregate cost in excess of fifty dollars ($50.00) shall also be controlled and accounted for as non-expendable property even though the cost of a single item is less than fifty dollars ($50.00). The record shall include; (a) a description of the item of property, including model and serial numbers, if applicable; (b) date of acquisition; (c) the acquisition cost or assigned value to the program; and, (d) location of the item.

9. Compliance with Laws, Rules, and Regulations. The Agency shall comply with all applicable laws, ordinances and Codes of the Federal, State, and local governments, including, but not limited to compliance with the following:

A. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. 2000d et seq);
B. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284; 42 U.S.C. 3601 et seq);
C. Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, as supplemented in Department of Labor Regulations (41 CPR, Part 60).
D. Executive Order 11063 (24 CFR, Part 107) which prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin.
E. Age Discrimination Act of 1975 (42 U.S.C. 6101-6107).
F. Rehabilitation Act of 1973 (29 U.S.C. 794) which prohibits discrimination against handicapped individuals.
G. Executive Orders -11625,12432 and 12138, encouraging the use of minority and women's business enterprises.
H. Requirements and Standards of OMB Circular No. A-122, entitled "Cost Principles for Nonprofit Organizations".

I. Requirements and Standards of OMB Circular No. A-110 as they pertain to the following:

1. "Cash Depositories", except for paragraph 4 concerning deposit insurance
2. "Bonding and Insurance"
3. "Retention and Custodial Requirements for Records" except that in lieu of the provisions in paragraph 4, the retention period for records pertaining to individual CDBG activities starts from the date of submission of the annual performance and evaluation report, as prescribed in S 570.507, in which the specific activity is reported on for the final time;
4. "Standards for Financial Management Systems";
5. "Monitoring and Reporting Program Performance," paragraph 2;
6. "Property Management Standards," except for paragraph 3 concerning the standards for real property and except that paragraphs 6 and 7 are modified so that in all cases in which personal property is sold, the proceeds shall be program income and that personal property not needed by the sub-grantee for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient; and
7. "Procurement Standards"

J. Monitoring Requirements. The City is responsible for managing the day-to-day operations of sub-grantee activities. The City will monitor the Agency's activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. The City monitoring will cover each program, function or activity. Federal agencies may also make site visits as warranted by program needs.

10. Nondiscrimination.

A. Discrimination Prohibited - Section 504 of the Rehabilitation Act of 1973, as amended, requires that no otherwise qualified individual in the United States shall on the grounds of race, color, national origin, sex or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance which includes any programs funded in whole or in part with Community Development funds. The Agency shall make known that the use of the facilities and services is available to all on a nondiscriminatory basis. For purposes of this section, "Program or activity" is defined as any function conducted by the Agency, or by any unit of government or private contractor receiving Community Development funds or loans from the Agency. "Funded in whole or in part with Community Development funds" means that Community Development funds in any amount in the form of grants or proceeds from HUD guaranteed loans have been transferred to the Agency and disbursed in a program or activity.

B. During the performance of this project, the Agency agrees as follows:

1) The Agency will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or age. The Agency will take affirmative action to ensure that applicants are employed, and

that employees are treated during employment, without regard to their race, color, religion, sex, national origin or age. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

2) The Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Agency; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin or age.
3) The Agency, if applicable, will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contract Compliance Officer advising that the said labor union or workers' representatives of the Agency's commitment under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4) The Agency will comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).
5) The Agency will furnish all information and reports required by Executive Order 11246 as amended by Executive Order 11375 and as supplemented in Department of Labor Regulations (41 CFR, Part 60), or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary of Labor and the Department of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6) In the event of the Agency's noncompliance with the nondiscrimination clauses of this agreement or with any of the said rules, regulations, or orders, this agreement may be canceled, terminated, or suspended in whole or in part, and the Agency may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 as amended by Executive Order 11375 and as supplemented in Department of Labor Regulations (41 CFR, Part 60).
7) The Agency will include Section 10.A. " Nondiscrimination" and the provisions of paragraph 10.B.(1) through 10.B.(7) in every subcontract unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR, Part 60), so that such provisions will be binding upon each subcontractor or vendor. The Agency will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Agency becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the City, the Agency may request the United States to enter into such litigation to protect the interest of the United States.

11. "Section 3" Clause. Every contracting party, contractor, and subcontractor shall incorporate in all contracts for work in connection with a Section 3 covered project, the following clause (referred to as a Section 3 clause):
    A. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the. area of the project.
    B. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 570.607 (b) and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
    C. The Contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
    D. The Contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 570.607 (b). The Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 570.607 (b) and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of the ability to comply with the requirements of these regulations.
    E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 570.607 (b) and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant for or recipient of such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors, its subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR 570.607 (b).

12. Community Development funds disbursed by the City to the Agency shall:
    A. Be used only for the purpose of the project.
    B. Not be used to advance funds to any individual or organization, other than for authorized travel advances for travel outside the metropolitan area.

C. Not be used to advance funds for any other purposes, programs, or activities which are being carried out by the Agency at the same time it is performing services for the City under the terms of this agreement.

13. Requests for Payment. Upon request by the City, the Agency shall submit to the City copies of invoices and/or other source documents supporting all project expenditures outlined in the Request for Payment or Reimbursement.

14. Documentation and Record Keeping.

A. The Agency shall maintain all records required by the federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities funded under this agreement. Such record shall include but are not limited to:

1. Records providing a full description of each activity undertaken.
2. Records demonstrating that each activity undertaken meet one of the national objections.
3. Records required determining the eligibility of activities.
4. Records documenting the acquisition, improvement or disposition of real property acquired with CDBG funds.
5. Record documenting compliance with fair housing and equal opportunity components of the CDBG program.
6. Financial records as required by 24 CFR Part 570.502, and Circular A-110.
7. Other records necessary to document compliance.

B. The Agency shall retain all records and supporting documentation applicable to a project with the City for a period of three (3) years after the receipt of final payment from the City and after all other pending matters are closed. All such records shall be made readily available, upon request, for inspection or audit by the representatives of the City, the Secretary of the U.S. Department of Housing and Urban Development, and/or the Comptroller General of the United States. In the event of the Agency's going out of existence, the records relating to the City project will be turned over to the City for retention.

15. Subcontracts. None of the work or services included in a contract between the Agency and the City shall be subcontracted without the prior written approval of the City. Any work or services subcontracted will be specified by written agreement and shall be subject to each provision of the agreement between the Agency and the City. Any construction work or services to be subcontracted will be specified by written agreement, only after written approval of the City, and shall be subject to all of the provisions of "Part II, Terms and Conditions, Construction Contracts", which will be made a part of each subcontract.

16. Changes.

A. Budget Revisions - Once a project is implemented, it may be determined that the cost of the line items in the budget should be changed or modified based on realistic needs. In this case, the Agency will prepare and submit a revised budget to the City for approval. Once the revision is approved, a contract change order, which shall constitute a written agreement

modifying the terms of this agreement, will be prepared and provided to the Agency to allow deviation in planned expenditures. No deviation in planned expenditures of Community Development supplemental funds may be made without prior authorization by the City.

B. Change in project Description - After implementation, it may also be determined that the scope of work or services required in the agreement between the City and the Agency are unrealistic. In this instance, the Agency will submit to the City an outline of the suggested change together with adequate justification of the reasons therefore. The City will, after appropriate investigation, determine if the suggested change will best serve the interests of the program. Upon receiving written approval from the City, the Agency may proceed to implement the change and prepare any necessary modifications or alterations to data which are to be supplied to the City in periodic reports.

17. Political Activity Prohibited. None of the funds, materials, property or services provided directly or indirectly under the terms of this agreement shall be used in the performance of this agreement for any partisan political activity, or to further the election or defeat of any candidate for public office, in accordance with the provisions of the Hatch Act.

18. Lobbying Certification. The Agency certifies, to the best of his or her knowledge and belief, that:
    A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Agency, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
    B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Agency shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Compliance with this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

19. Religious Activity Prohibited. All funds provided directly or indirectly will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the federal regulations specified in 24 CFR 570.200(j).

20. Conflict of Interest.

A. Interest of Members of City - No officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and implementation of the Program, or any other person who exercises any functions or responsibilities in connection with the Program, shall have any personal financial interest, direct or indirect, in this agreement, and the Agency shall take appropriate steps to assure compliance.
B. Interest of Agency and Employees - The Agency covenants that no person who presently exercises any functions or responsibilities in connection with the Program, has any personal financial interest, direct or indirect, which would conflict in any manner or degree with the performance of his or her services hereunder. The Agency further covenants that in the performance of this agreement, no person having any conflicting interest shall be employed. Any interest on the part of the Agency or its employees must be disclosed to the City.
C. Neither the Community Development Program nor the funds provided therefor, nor the personnel employed in the administration of the program shall be in any way or to any extent in contravention of Chapter 15 of Title 5, United States Code.

21. Audits. The Agency will be subject to periodic audit by the City and an independent certified public accountant employed by the City for that purpose. The audit of Federal funds will be made in accordance with OMB Circular A-133 during the regular auditing cycle.

22. Provisions Required by Law Deemed Inserted. Each and every provision of law and clause required by law to be inserted in this agreement shall be as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party hereto, this agreement shall forthwith be physically amended to make such insertion or correction.

23. Agency shall indemnify City. The Agency shall at a" times indemnify and save harmless the City of Huntsville, its agents, officers and employees, against all liability, claim, cost or damage, including attorney fees, arising from the performance of this agreement, or any subsequent agreement in conjunction herewith.

24. Program Income. In accordance with 24 CFR Part 570 as published in 53 FR 34437 dated 9-6-88, the Agency shall comply with program income requirements set forth in 24 CFR 570.504 (c). If Program income is retain it shall be returned to the city. All provisions of this written agreement shall apply to any activities undertaken with program income received by the Agency upon agreement expiration date.

25. Other program requirements. In accordance with 24 CFR Part 570 (53 FR 34437 dated 9-6-88), the Agency shall carry out each activity in compliance with all Federal laws and regulations described in Subpart K of these regulations, except that:

    A. The Agency does not assume the City's environmental responsibilities described at 570.604; and
    B. The Agency does not assume the City's responsibility for initiating the review process under Executive Order 12372.

26. Reversion of Assets. Upon expiration of this agreement, the Agency shall transfer to the City any CDBG funds on hand at the time of expiration and any accounts receivable

attributable to the use of CDBG funds. The Agency shall ensure that any real property under its control that was acquired or improved in whole or in part with CDBG funds in excess of $25,000 is either:

A. Used to meet one of the national objectives in 570.901 until five years after expiration of this agreement, or such longer period of time as determined appropriate by the City; or

B. Is disposed of in a manner which results in the City being reimbursed in the amount of the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time specified in accordance with (a) above.

27. Definitions.

A. Agency - an entity, whether public or private, which has the responsibility for administering a project or activity under the terms of the Housing and Community Development Act of 1974, and which is a party to this agreement.

B. CDD - The Community Development Division of the City of Huntsville.

C. Contractor - an entity, other than an Agency (except as noted in the Labor Standards Provisions) that furnishes to the City or to an Agency services (other than standard commercial supplies, office space, or printing services).

D. HUD - The Secretary of Housing and Urban Development or a person authorized to act on his behalf.

E. Program - The Community Development Block Grant Program as approved by HUD and as amended from time to time.

F. City - The City of Huntsville, Alabama, a municipal Corporation, or agents thereof.

IN WITNESS THEREOF, the City and the Agency have executed this Agreement on this the 28th day of, August 2014.

CITY OF HUNTSVILLE

_____

Tommy Battle, Mayor
City of Huntsville, Alabama

ATTEST:

_____

Charles E. Hagood, City Clerk Treasurer
City of Huntsville, Alabama

Village of Promise, Inc.,
a Non Profit Corporation

By: _____

It's President/Board Chair

ATTEST:

By: _____

Village of Promise, Inc.