

GRANT AGREEMENT BY AND BETWEEN  
THE CITY OF MORRO BAY AND  
[NAME OF GRANTEE]

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, and is effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the CITY OF MORRO BAY, a municipal corporation of the State of California (hereinafter CITY), and [NAME OF GRANTEE], a nonprofit corporation of the State of \_\_\_\_\_ (hereinafter CONTRACTOR).

WITNESSETH

WHEREAS, CITY appropriated funds in its Fiscal Year \_\_\_\_\_ Budget for allocation to community service agencies; and

WHEREAS, CITY desires to engage CONTRACTOR to provide services described in Exhibit A and as permitted pursuant to CONTRACTOR'S non-profit purpose for the public purpose of the benefit of the residents of CITY (hereinafter "PROGRAM"), and CITY has appropriated funds for this purpose, to be utilized during the time period between July 1, 20\_\_, and June 30, 20\_\_; and

NOW, THEREFORE, THE PARTIES AGREE, as follows:

I. COMMUNITY GRANT POLICY

The CONTRACTOR warrants that it has read and understands the CITY's Community Grant Policy Governing Community Grants attached as Exhibit B to this Agreement, and incorporated herein by reference (hereinafter Community Grant Policy), and agrees that it shall be bound by that Community Grant Policy in its performance under this Agreement, with the sole exception of any express exemptions from that Community Grant Policy as provided herein. In case of any conflict between the terms of this Agreement and the Community Grant Policy, the terms of this Agreement shall take precedence.

II. PROGRAM COORDINATION

A. CITY: The CITY Manager, or their designee, shall be the PROGRAM MANAGER and shall render overall supervision of the progress and performance of this Agreement by CITY. All services agreed to be performed by CITY shall be under the overall direction of the PROGRAM MANAGER.

B. CONTRACTOR: CONTRACTOR shall assign a single PROGRAM DIRECTOR who shall have overall responsibility for the progress and execution of this Agreement. CONTRACTOR shall timely provide notice to PROGRAM MANAGER of the name of the PROGRAM DIRECTOR. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROGRAM DIRECTOR, CONTRACTOR shall notify CITY immediately of such occurrence in writing. PROGRAM DIRECTOR and CONTRACTOR staff will fully cooperate with CITY'S PROGRAM MANAGER relating to the PROGRAM, areas of concern, and the impact of PROGRAM on residents of CITY.

- C. NOTICES: All notices or other correspondence required or contemplated by this Agreement shall be sent to the parties at the following addresses:

CITY

Finance Director  
City of Morro Bay  
Finance Department  
595 Harbor Street  
Morro Bay, CA 93442

CONTRACTOR

[NAME OF CONTACT]  
[NAME OF GRANTEE]  
[ADDRESS OF GRANTEE]  
[ADDRESS OF GRANTEE]

III. OBLIGATIONS OF CITY

- A. Contract Compliance: CITY staff shall provide reasonable assistance to CONTRACTOR in connection with:
1. Obtaining conformity of the PROGRAM with the CITY's policies and procedures and all CITY codes, ordinances, directives and laws.
  2. Performance review under the Agreement for compliance purposes and evaluating PROGRAM based on required narrative and financial reports received from CONTRACTOR and on-site monitoring of client-based data.

IV. OBLIGATIONS OF CONTRACTOR

CONTRACTOR shall file a written Year-End Performance and Expense Report with CITY by July 31<sup>st</sup> following the close of the fiscal year in which funds were awarded, detailing the types and numbers of services rendered to beneficiaries, the outcomes of the PROGRAM, which reports shall evaluate the manner in which PROGRAM is achieving its goals according to standards established by CITY. All grant funds must be spent by June 30<sup>th</sup> of the fiscal year in which they are awarded. Any unspent funds shall be returned to CITY. Failure to submit the report on time or comply with the expenditure requirements may result in termination of the Agreement, return of funds, and ineligibility for CITY grant funding for the next two fiscal years.

V. PAYMENTS TO CONTRACTOR

- A. Method of Payment:
1. CITY agrees to provide CONTRACTOR a sum of money not to exceed [AMOUNT OF GRANT IN WORDS] (\$[AMOUNT OF GRANT IN NUMERALS]), including all allowable costs and expenses, by \_\_\_\_\_.
  2. CITY grant funds are meant to fund CONTRACTOR for all allowable costs and expenses incurred in providing the PROGRAM. Payment shall be made solely for services set forth in Exhibit A, and subject to CITY's review of CONTRACTOR performance.
  3. CITY may, at any time and in its absolute discretion, elect to suspend or terminate payment to CONTRACTOR, in whole or in part, under this Agreement, or not to make any particular payment under this Agreement, in

the event of unsatisfactory performance or noncompliance with this Agreement.

VI. DISCLOSURE OF CONFIDENTIAL CLIENT INFORMATION

CITY, to the extent allowed by the California Public Records Act, and CONTRACTOR agree to maintain the confidentiality of any information regarding applicants for services offered by the PROGRAM pursuant to this Agreement or their immediate families which may be obtained through application forms, interviews, tests, or reports, from public agencies or counselors, or any other source. Without the written permission of the applicant or court order, or as otherwise required by law, such information shall be divulged only as necessary for purposes related to the performance or evaluation of the services and work to be provided pursuant to this Agreement to designated persons having responsibilities under the contract, including those furnishing services under the PROGRAM through subcontracts.

VII. ASSIGNABILITY AND INDEPENDENT CONTRACTOR REQUIREMENTS

- A. The relationship of CONTRACTOR to CITY is that of an independent contractor. CONTRACTOR is responsible for the results of its PROGRAM and compliance with the terms of this Agreement. CONTRACTOR has full rights to manage its employees subject to the requirements of the law. All persons employed by CONTRACTOR in connection with this Agreement shall be employees of CONTRACTOR and not employees of CITY in any respect. CONTRACTOR shall be responsible for all employee benefits, including, but not limited to, statutory workers' compensation benefits.
- B. None of the work or services to be performed hereunder shall be delegated or subcontracted to third parties without prior written CITY approval.
- C. No subcontractor of CONTRACTOR will be recognized by CITY as such. All subcontractors are deemed to be employees of CONTRACTOR, and CONTRACTOR agrees to be responsible for their performance and any liabilities attached to their actions or omissions.
- D. This Agreement is based on the unique services of CONTRACTOR. This Agreement shall not be assigned or transferred without the written consent of the CITY. No changes or variations to this Agreement of any kind are authorized without the written consent of the CITY Manager.

VIII. COMPLIANCE WITH LAW

CONTRACTOR shall become familiar and comply with and cause all its subcontractors and employees, if any, to become familiar and comply with all applicable federal, state and local laws, ordinances, codes, regulations, and decrees including, but not limited to, the City's Community Grant Policy as provided in Exhibit B. Failure of CONTRACTOR to, in any manner, observe and adhere to law as described herein or as amended shall in no way relieve CONTRACTOR of its responsibility to adhere to same and CONTRACTOR herein acknowledges this responsibility.

IX. TERMS AND AMENDMENTS

Amendments to the terms and conditions of this Agreement shall be requested in writing by the party desiring such revision, and any such adjustment to this Agreement shall be determined and effective only upon the mutual Agreement in writing of the parties hereto unless the Amendments are made by the CITY as corrective actions under the Community Grant Policy, attached hereto as Exhibit B and incorporated herein by reference, in which case they will be adopted as ordered.

X. LEGAL MATTERS

A. Integration

This document, including Exhibits A through B, represents the entire and integrated Agreement between the CITY and the CONTRACTOR, and supersedes all prior negotiations, representations, and agreements, either written or oral.

B. Binding Effect

The terms of this Agreement shall bind, and inure to the benefit of, the parties, their heirs, successors, and assigns.

XI. HOLD HARMLESS

A. CONTRACTOR hereby releases and agrees to protect, defend, hold harmless, and indemnify CITY, its CITY Council, its officers, employees, agents, volunteers and elected officials, boards and commissions, from and against all claims, injury, liability, loss, costs and expense, or damage, however same may be caused, including all cost and reasonable attorney's fees in providing the defense to any claim arising therefrom, for any loss or damage to property (real and/or personal) and for personal injury to or death of any person or persons arising out of, occurring by reason of, or in any way connected with CONTRACTOR's PROGRAM activities or omissions, or in consequence thereof.

B. CONTRACTOR shall hold CITY, its CITY Council, officers, employees and boards and commissions harmless from CONTRACTOR's failure(s) to comply with any requirement imposed on PROGRAM by virtue of the utilization of Federal funds. CONTRACTOR shall reimburse CITY, for any disallowed costs and/or penalties imposed on CITY, because of CONTRACTOR's failure to comply with Federal, State or legal regulations or requirements, including any CITY costs, including attorney's fees, reasonably necessary to secure such reimbursement.

C. CITY shall indemnify and save CONTRACTOR, its officer, employees, and officials harmless with respect to any judgements arising from CITY's sole negligence or intentional actions or omissions in performance of CITY's obligations under this Agreement.

D. CITY and CONTRACTOR agree that CITY's indemnification shall extend solely to the payment of any judgements and is not intended to require that a defense to suit be provided by CITY, or to limit in any manner CONTRACTOR's duty to defend

all suits, actions, claims and causes of action arising out of the services CONTRACTOR provides pursuant to this Agreement.

## XII. INSURANCE AND INDEMNIFICATION

### A. Minimum Scope of Coverage

1. CONTRACTOR agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and their organization/firm to an amount not less than: one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) in the aggregate, for bodily injury, personal injury and property damage.
2. CONTRACTOR agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and their staff to an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and property damage.
3. CONTRACTOR shall provide to the CITY all certificates of insurance, with original endorsements effecting coverage. CONTRACTOR agrees that all certificates and endorsements are to be received and approved by the CITY before work commences.
4. CONTRACTOR agrees to have and maintain, for the duration of the contract, professional liability insurance appropriate to the CONTRACTOR's profession in amounts not less than \$1,000,000 which is sufficient to insure CONTRACTOR for professional errors or omissions in the performance of the particular scope of work under this agreement.

### B. General Liability

1. The CITY, its CITY Council, its officers, officials, employees, agents and volunteers are to be covered and named as additional insured as respects: liability arising out of activities performed by or on behalf of the CONTRACTOR; products and completed operations of CONTRACTOR, premises owned or used by the CONTRACTOR. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
2. The CONTRACTOR's insurance coverage shall be primary insurance as respects the CITY, its CITY Council, its officers, officials, employees, agents and volunteers. Any insurance or self-insurances maintained by the CITY, its CITY Council, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the CITY, its officers, employees and agents and their respective insurers.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its CITY Council, its officers, officials, employees, agents or volunteers.
4. The CONTRACTOR's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

C. All Coverages

Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the CITY Clerk.

D. Workers' Compensation

In addition to these policies, CONTRACTOR shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the CITY before beginning services under this Agreement. Further, CONTRACTOR shall ensure that all subcontractors employed by CONTRACTOR provide the required Workers' Compensation insurance for their respective employees.

XIII. WHEN RIGHTS AND REMEDIES WAIVED

In no event shall any payment by CITY or any acceptance of payment by CONTRACTOR hereunder constitute or be construed to be a waiver by CITY or CONTRACTOR of any breach of covenants or conditions of this Agreement or any default which may then exist on the part of CITY or CONTRACTOR, and the making of any such payment while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to CITY or CONTRACTOR with respect to such breach or default.

XIV. TERMINATION

A. Termination for Cause and Reimbursement

1. Termination for Cause. This Agreement may be suspended or terminated at any time before the date of completion by CITY if:
  - A. CONTRACTOR fails to comply with conditions of the Agreement.
  - B. CONTRACTOR refuses to accept any additional conditions that may be imposed by the Federal or State Government.
  - C. CITY Council determines the CITY can no longer fund the monies for the Agreement.
2. Reimbursement. CONTRACTOR expressly agrees and understands that if in the sole reasonable written determination of the CITY the grant funds provided by CITY to CONTRACTOR are not used exclusively for the agreed upon intended purpose, in whole or in part, CITY may terminate this Agreement for cause, and CONTRACTOR will promptly reimburse CITY in full for the entire amount of the grant funding provided by the CITY, or on a pro rate basis as determined by the CITY.

B. Termination for Convenience

CITY or CONTRACTOR may terminate this Agreement in whole or in part when both parties agree that the continuation of the PROGRAM would not produce beneficial results commensurate with the further expenditure of funds. The two

parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

- C. Upon Suspension or Termination, CONTRACTOR shall:
1. Not incur new obligations, and shall cancel as many outstanding obligations as possible, as such obligations concern the PROGRAM.
  2. Be paid only for services actually rendered to CITY to the date of such suspension or termination; provided, however, if this Agreement is suspended or terminated for fault of CONTRACTOR, CITY shall be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR's services which are of benefit to CITY.
  3. Turn over to CITY immediately any and all copies of studies, reports and other data, prepared by CONTRACTOR or its subcontractors, whether or not completed, if any, in connection with this Agreement; such materials shall become property of CITY. CONTRACTOR, however, shall not be liable for CITY's use of incomplete materials or for CITY's use of complete documents if used for other than the services contemplated by this Agreement.
- D. CITY is not liable for any CONTRACTOR expenses incurred after the termination or closing date of the Agreement.

XV. MISCELLANEOUS PROVISIONS

- A. The Caption  
The captions of the various sections, paragraphs, and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of the interpretation.
- B. No Third Party Beneficiary  
This Agreement shall not be construed or deemed to be an Agreement for the benefit of any third party or parties, and no third party shall have any claim or right of action hereunder for any cause whatsoever.
- C. Severability Clause  
In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal, or unenforceable in any respect, it shall not affect the validity of the other provisions which shall remain in full force and effect.
- D. No Pledging of CITY's Credit  
Under no circumstances shall CONTRACTOR have the authority or power to pledge the credit of CITY, or incur any obligation in the name of CITY. CONTRACTOR shall save and hold harmless CITY, its CITY Council, its officers, employees and boards and commissions from expenses arising out of this Agreement.
- E. Disputes  
In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, as well as reasonable costs.
- F. Nondiscrimination
1. Neither the CONTRACTOR nor any of its subcontractors shall discriminate in the employment of persons because of their race, color, national origin, sex,

age, ancestry, sexual orientation, religion, physical or mental disability, or marital status, unless based upon a bona fide qualification under the California Fair Employment and Housing Act.

2. Neither the CONTRACTOR nor any of its subcontractors shall discriminate in the provision of any services or programs because of race, color, national origin, sex, age, ancestry, sexual orientation, religion, physical or mental disability, or marital status, unless based upon a bona fide qualification under the California Fair Employment and Housing Act.

G. Venue

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Luis Obispo, State of California, or any other appropriate court in such county, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Luis Obispo, State of California.

H. Non-liability of City Officers and Employees

No officer or employee of the City shall be personally liable to the CONTRACTOR, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the CONTRACTOR or to its successor, or for breach of any obligation of the terms of this Agreement.

I. Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

J. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

[Signatures on the following page.]

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first herein above set forth.

City of Morro Bay

[NAME OF GRANTEE]

\_\_\_\_\_  
Andrea Lueker,  
Interim City Manager

\_\_\_\_\_  
[NAME OF CONTACT]  
Executive Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Brian J. Stack, City Attorney

EXHIBITS:

- A. Scope of Services
- B. Community Grant Policy