

**CITY OF COSTA MESA
GRANT AGREEMENT
WITH
LOCAL INITIATIVES SUPPORT CORPORATION**

THIS GRANT AGREEMENT ("Agreement") is made and entered into this 24 day of February, 2021 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and LOCAL INITIATIVES SUPPORT CORPORATION, a New York non-profit corporation ("LISC").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of LISC as an independent contractor to administer Phase 2 of the City's Bridge Grant Program, as more fully described herein; and

B. WHEREAS, LISC represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and LISC desire to contract for the specific services described in Exhibit "A" and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. GRANT FUND; SERVICES PROVIDED BY LISC

1.1. Total Value. The total value of this Agreement is One Million Two Hundred Eighty-Five Thousand Dollars (\$1,285,000). Of this, One Million One Hundred Ninety Thousand Dollars (\$1,190,000) will be granted in pass-through funds from City to LISC, and LISC will administer this amount as part of the City's Bridge Grant Program, as more particularly described in the Scope of Services attached hereto as Exhibit "A." City will pay to LISC Ninety-Five Thousand Dollars (\$95,000) upon LISC's completion of the deliverables set forth in Exhibit "A."

1.2. Scope of Services; Transfer of Grant Fund.

(a) LISC shall provide the professional services described in the Bridge Grant Program Scope of Services, attached hereto as Exhibit "A" and incorporated herein. LISC agrees to provide such services in accordance with the Costa Mesa Bridge Grant Program Guidelines, attached hereto as Exhibit "B" and incorporated herein. In the event of any inconsistency or

conflict between any provisions of Exhibit A and the provisions of Exhibit B, the provisions of Exhibit A shall govern.

- (b) City shall transfer One Million One Hundred Ninety Thousand Dollars (\$1,190,000) in non-federal funds ("Grant Fund") to LISC's bank account within five (5) business days after the execution of this Agreement, with LISC providing wire transfer instructions and bank account details to City within one (1) business day after the execution of this Agreement. LISC will receive and maintain the Grant Fund in its bank account in accordance with its regular policies and procedures for the handling of grant funds, and will award and disburse the Grant Fund in accordance with Exhibit A hereto.

1.2. Professional Practices. All professional services to be provided by LISC pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. LISC also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect LISC's performance of this Agreement.

1.3. Performance to Satisfaction of City. LISC agrees to perform all the work to the complete satisfaction of the City. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with LISC to review the quality of the work and resolve the matters of concern;
- (b) Require LISC to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. LISC warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. LISC shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of LISC's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, LISC shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their 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, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. LISC acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. LISC may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at LISC's sole cost and expense.

1.8. Confidentiality. Employees of LISC in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. LISC covenants that all data, documents, discussion, or other information developed or received by LISC or provided for performance of this Agreement are deemed confidential and shall not be disclosed by LISC without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. LISC's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. LISC shall be paid in accordance with the deliverables schedule set forth in Exhibit A. LISC's total compensation under this Agreement shall not exceed Ninety-Five Thousand Dollars (\$95,000.00).

2.2. Additional Services. LISC shall not receive compensation for any services provided outside the scope of services specified in the Exhibit A unless the City Manager or designee, prior to LISC performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. LISC may submit invoices to the City upon completion of the deliverables set forth in Exhibit A, but no more often than two times a month. City shall pay LISC's invoice within thirty (30) days from the date City receives said invoice. Each invoice shall describe the completed deliverable in detail, and shall be accompanied by such evidence of completion as City may request.

2.4. Records and Audits. Records of LISC's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Unless otherwise agreed to in writing by the parties, the professional services to be performed pursuant to this Agreement shall commence within five business (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in

Exhibit A. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, pandemics, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party (each, a "Force Majeure Event"). If a party experiences a Force Majeure Event, the party shall, within five (5) days of the occurrence of the Force Majeure Event, give written notice to the other party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance shall be of no greater scope and of no longer duration than is reasonably required and the party experiencing the Force Majeure Event shall use best efforts without being obligated to incur any material expenditure to remedy its inability to perform; provided, however, if the suspension of performance continues for sixty (60) days after the date of the occurrence and such failure to perform would constitute a material breach of this Agreement in the absence of such Force Majeure Event, the parties shall meet and discuss in good faith any amendments to this Agreement to permit the other party to exercise its rights under this Agreement. If the parties are not able to agree on such amendments within thirty (30) days and if suspension of performance continues, such other party may terminate this Agreement immediately by written notice to the party experiencing the Force Majeure Event, in which case neither party shall have any liability to the other except for those rights and liabilities that accrued prior to the date of termination.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of six (6) months, ending on August 4, 2021, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to LISC. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, LISC shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay LISC for all deliverables completed on or before the date of City's written notice of termination. Compensation for deliverables in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth in Exhibit A. In ascertaining the deliverables completed and partially completed hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the LISC.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by LISC in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports,

shall be delivered to the City within ten (10) days of delivery of termination notice to LISC, at no cost to City. Any use of uncompleted documents without specific written authorization from LISC shall be at City's sole risk and without liability or legal expense to LISC.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. LISC shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. LISC agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by LISC for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. LISC shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the LISC pursuant to its contract with the City; products and completed operations of the LISC; premises owned, occupied or used by

the LISC; automobiles owned, leased, hired, or borrowed by the LISC.”

- (b) Notice: “Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City.”
- (c) Other insurance: “The LISC’s insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy.”
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The LISC’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. LISC shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-Limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which LISC may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

LISC shall designate a representative for purposes of this Agreement who shall be

authorized to issue all consents, approvals, directives and agreements on behalf of LISC called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with LISC in the performance of this Agreement.

LISC shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. LISC or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO LISC:

LISC LA
500 S. Grand Ave., Suite 2300
Los Angeles, CA 90071
Tel: (213) 250-9550
Attn: Emma Kloppenburg

Courtesy copy to:

LISC
28 Liberty St., 34th Floor
New York, NY 10005
Attn: General Counsel

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5088
Attn: Dan Inloes

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-Free Workplace Policy. LISC shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "C" and incorporated herein by reference. LISC's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in

Orange County, California.

6.8. Assignment. LISC shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of LISC's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release LISC of LISC's obligation to perform all other obligations to be performed by LISC hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. LISC agrees to defend, with counsel reasonably approved by City, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at LISC's sole expense (provided that LISC may draw upon any available insurance proceeds), from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the LISC, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the LISC, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the LISC, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the LISC, its employees, and/or authorized subcontractors under this Agreement, whether or not the LISC, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the LISC shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City, its elected officials, officers, agents or employees. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or LISC's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. LISC is and shall be acting at all times as an independent contractor and not as an employee of City. LISC shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of LISC or any of LISC's employees, except as set forth in this Agreement. LISC shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. LISC shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for LISC and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. LISC shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. LISC further agrees to indemnify and hold City harmless from any failure of LISC to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to LISC under this Agreement any amount due to City from LISC as a result of LISC's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that LISC or any employee, agent, or subcontractor of LISC providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to

be eligible for enrollment in PERS as an employee of the City, LISC shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of LISC or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, LISC and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to LISC's performance or services rendered under this Agreement, LISC shall render any reasonable assistance and cooperation which City might require.

6.13. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by LISC or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. LISC agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to LISC. City shall indemnify and hold harmless LISC from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by LISC. LISC shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.14. Public Records Act Disclosure. LISC has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by LISC, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 6254.7, and of which LISC informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.15. Conflict of Interest. LISC and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to LISC's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090.

During the term of this Agreement, LISC and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom LISC is not currently performing work that would require LISC or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.16. Responsibility for Errors. LISC shall be responsible for its work and results under this Agreement. LISC, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to LISC occurs, then LISC shall, at no cost to City, provide all necessary design drawings, estimates and other LISC professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.17. Prohibited Employment. LISC will not employ any regular employee of City while this Agreement is in effect.

6.18. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.19. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.20. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.21. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and LISC and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.22. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.23. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.24. Amendments. Only a writing executed by the parties hereto or their respective

successors and assigns may amend this Agreement.

6.25. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.26. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.


6.27. Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement. Counterpart written signatures may be transmitted by facsimile, email or other electronic means and have the same legal effect as if they were original signatures.

6.28. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

LOCAL INITIATIVES SUPPORT CORPORATION



Bob Cooney
Senior Vice President and General Counsel

Date: 2/8/2021

CITY OF COSTA MESA

Lori Ann Farrell Harrison
City Manager

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

LOCAL INITIATIVES SUPPORT CORPORATION

Signature

Date: _____

Bob Cooney
Senior Vice President and General Counsel


CITY OF COSTA MESA



Lori Ann Farrell Harrison
City Manager

Date: 2/22/21

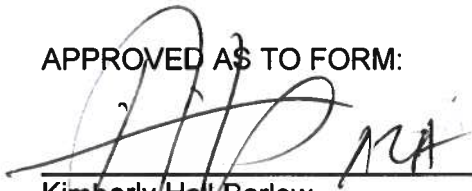
ATTEST:



Brenda Green
City Clerk



APPROVED AS TO FORM:



Kimberly Hall Barlow
City Attorney

Date: 2/19/21


APPROVED AS TO INSURANCE:



Ruth Wang
Risk Management

Date: 2/10/21

APPROVED AS TO CONTENT:



Daniel Inloes
Project Manager

Date: 2/8/21

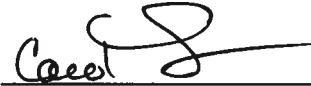
DEPARTMENTAL APPROVAL:



Jennifer Le
Economic and Development Services
Director

Date: 2/8/21

APPROVED AS TO PURCHASING:



Carol Molina
Finance Director

Date: 2/9/21

EXHIBIT A

Costa Mesa Bridge Grant Program Scope of Services **(Administrative)**

Description: The City of Costa Mesa will deploy at least \$1,190,000 (“Grant Fund”) to provide grants to specified small businesses in Costa Mesa (“Program Recipients”) suffering from business interruptions or business closures incurred due to the COVID-19 pandemic. Local Initiatives Support Corporation (“LISC”) will administer and deploy grants to those qualified Program Recipients.

LISC will deploy the Grant Fund in a single round, in the form of individual \$10,000 grants that will be awarded to approximately 119 qualified Program Recipients in the City of Costa Mesa by March 26, 2021.

Process: Grants will be chosen through an online randomized selection process to qualifying applicants.

Target Program Recipients: The eligibility requirements for the Bridge Grant Program are as follows:

- A. The business has been affected by COVID-19 in ANY ONE of the following ways:
 1. The business was deemed non-essential and was forced to shut down by the state or local government or severely minimize operations.
 2. Sales from the business are down more than 25% when compared to the previous three months (Prior to February 15, 2020).
 3. The business has had to furlough or lay off at least one employee (full- or part-time employee).
 4. One or more employees in the business have contracted COVID-19 while at work.

- B. The business satisfies the definition of a “Small Business” as described in the sub-recipient agreement between the County of Orange and the City of Costa Mesa for the previous Cares Act funding which includes:
 1. The business must have its principal office/store located within Costa Mesa city limits.
 2. The business must be an independently owned and operated business that is neither dominant in its field of operation, nor a franchise business.
 3. At least one of the officers of the business must be domiciled in Orange County, California
 4. The business together with affiliates, has 100 or fewer employees, and average annual gross receipts of \$15,000,000 or less over the previous three years, or is a manufacturer with 100 or fewer employees.

Furthermore, these additional eligibility requirements will apply:

- C. Business must be a restaurant, bar, or personal care service business that has its principal office/store located within Costa Mesa city limits. Personal care service businesses include: hair salons, barber shops, estheticians, skin care services, electrology services, nail salons, body art professionals, tattoo parlors, piercing shops, massage businesses, and spas.
- D. The business must be able to operate legally in accordance with both state and federal laws and regulations. This excludes any business which is considered adult entertainment, gambling, or cannabis or hemp related.
- E. The business must have held an active Costa Mesa business license for a minimum of six (6) months as of June 1, 2020 and have an active business license during the grant application process.
- E. The business must be legal and operating within commercial or industrially zoned area.
- F. The business within Costa Mesa must not generate more than an average annual gross-receipts of \$2.5 million.
- G. The business must be in good standing with the City, meaning it must be current on its business license fees and it must not have any active municipal code violations during the window to apply for the grant. Any code complaint or citation issued after the application is submitted and found to be valid before the funds are issued must be resolved within 30 days of the citation. No grant award will be issued until the citation is resolved and if the citation is not resolved within 30 days the grant award will be issued to another business.
- H. The business must follow the State's, County's, and City's re-opening guidance for its industry.
- I. The business must submit a complete application, and all required supporting documentation.

Outreach: Targeted outreach of the Grant Fund will be led by the City of Costa Mesa. Marketing materials will be produced by the City of Costa Mesa and outreach will be conducted through emails, webinars, online materials, and word-of-mouth.

Application: LISC LA will develop the applications and ensure the City signs off on its content and format prior to launching the web-based form.

Review process: LISC will lead the process for verifying the selected finalists. Finalists will be required to submit the appropriate paperwork in order to proceed with funding award. The following is an exhaustive list of documents that will need to be verified but not all entities will be required to upload and/or sign each document:

- W9
- ACH form
- 2018, 2019 or 2020 federal tax return
- Proof of primary owner’s domicile being located in the County of Orange, through: mortgage agreement or billing statement; lease agreement or rent statement; or driver’s license or state-issued ID card.

Lastly, each winner will be invited to attend a 1-hour webinar, on how to complete the aforementioned paperwork to receive grant funds.

Correspondence with the Applicants: LISA LA will be available once the contract is signed to participate in City held webinars during the outreach phase, will have reliable and responsive contact information throughout the program for applicants, and will host and provide a webinar for the eligible grant applicants.

Data Collection: All data collected by LISC LA during the administration of the program will be provided to the City of Costa Mesa in files the City can access without a license to a specific software at the end of the grant disbursement phase.

Disbursement of Funds: LISC LA will be responsible for the disbursement of funds. LISC LA will gather the appropriate documentation including a W-9 form and the requisite information for an ACH disbursement of the funds which LISC LA will conduct.

Timing: LISC LA will administer one (1) round of grant funding and complete by April 30, 2021. The following timeline outlines approximate dates per each grant step:

Action Items	Date
Application Period	February 8 - 14
Eligibility Review / Lottery	February 15 - 19
Document Submittal & Review	February 22 – March 5
Disbursement	March 8 – March 26
Deadline to Spend Funds	April 30

Administrative Fee: LISC LA will charge a Grant Fund administrative fee of \$95,000 in order to cover local and national staff time, review process, research & evaluation, and legal fees. The City of Costa Mesa will pay this administrative fee in the following amounts, upon completion of the corresponding deliverables and submission by LISC of invoice in accordance with Section 2.3 of the Grant Agreement.

Deliverable	Anticipated Delivery Date	Amount Payable
Launch of Grant Application Period	February 8, 2021	\$31,666.66
Selection and Notification of Grant Award Finalists	February 19, 2021	\$31,666.67
Disbursement of Grant Funds	April 30, 2021	\$31,666.67

EXHIBIT B

BRIDGE GRANT PROGRAM GUIDELINES



Costa Mesa Bridge Grant Program

Revised as of January 25, 2021

Contents

Summary	20
Funding For For-profit Business & Funding for Non-Profit Agencies Error! Bookmark not defined.	
Grant Amount	20
Eligibility	20
Funding Priority	22
Use of Funds	22
Application Must Include Plan of Expenditures	Error! Bookmark not defined.
Information Requested	23
Certifications	23
Outreach & Engagement Plan	24
Schedule	24
Grant Application & Award Process	24
Documentation for Verification of Eligibility	25
Contacts	26

Inquiries are due no later than February 14, 2021 at midnight.

Summary

The City of Costa Mesa Bridge Grant Program will provide one-time funding to small businesses that are restaurants, bars, and personal care services. These types of businesses have been required to be closed during the regional stay at home order or reduced to takeout/delivery services therefore need financial assistance to aid in their survival from the temporary loss of revenue due to the regional stay at home order and other health safety regulations due to the COVID-19 public health emergency.

The City of Costa Mesa has allocated a minimum of \$1.995 million of City reserve funds for this program. Phase 1 was allocated \$1.1 million and was already launched in December of 2020. These guidelines are for Phase 2 of the program and is allocated a minimum of \$800,000 of the City of Costa Mesa allocation plus an additional \$375,000 from the county. The remaining \$95,000 funds are to assist in administering the program. Any funds not used in Phase 1 or for administering the program will be reallocated to Phase 2. Phase 1 was to issue immediate grants to restaurants, bars, and personal care services previously vetted through the Small Business Relief Grant Program. Phase 2 is for the same business types but allows for an open application process so new businesses that did not apply for the previous grant may be assisted.

The economic development team within the City of Costa Mesa will oversee the Bridge Grant Program, assist in outreach, and verify as to each business's good standing with the City, compliance with COVID-19 guidelines and orders, and confirmation that each business is within a non-residentially zoned area. The City's consultant, LISC LA, will be responsible for outreach webinars, technical support of the program, application processing, and fund disbursement.

Please carefully review these guidelines as successful applicants must: submit a complete application by the date identified in the schedule, respond to correspondence from LISC LA and the City of Costa Mesa, provide the documentation necessary, and comply with the grant agreement.

If the number of qualifying applications submitted exceeds the amount of funding available for disbursement, the City will implement a lottery system for all eligible small businesses. This option will enable the City to provide working capital promptly to those businesses in most need of immediate financial assistance in a fair and equitable way.

Grant Amount

Bridge Grant Program applicants are eligible to receive a flat grant amount of \$10,000. This means that up to 117 businesses will receive a grant based on the minimum funding amount of \$1.175 million. Additional funding from Phase 1 or fiscal stimulus from the County, State, or Federal government may increase this amount and thereby allow for a greater number of applicants.

Eligibility

The eligibility requirements for the Bridge Grant Program are as follows:

- F. The business has been affected by COVID-19 in ANY ONE of the following ways:
 - 5. The business was deemed non-essential and was forced to shut down by the state or local government or severely minimize operations.
 - 6. Sales from the business are down more than 25% when compared to the previous three months (Prior to February 15, 2020).
 - 7. The business has had to furlough or lay off at least one employee (full- or part-time employee).
 - 8. One or more employees in the business have contracted COVID-19 while at work.

- G. The business satisfies the definition of a "Small Business" as described in the sub-recipient agreement between the County of Orange and the City of Costa Mesa for the previous Cares Act funding which includes:
 - 5. The business must have its principal office/store located within Costa Mesa city limits.
 - 6. The business must be an independently owned and operated business that is neither dominant in its field of operation, nor a franchise business.
 - 7. At least one of the officers of the business must be domiciled in Orange County, California
 - 8. The business together with affiliates, has 100 or fewer employees, and average annual gross receipts of \$15,000,000 or less over the previous three years, or is a manufacturer with 100 or fewer employees.

Furthermore, these additional eligibility requirements will apply:

- H. Business must be a restaurant , bars, or personal care service business that has its principal office/store located within Costa Mesa city limits. Personal care service businesses include: hair salons, barber shops, estheticians, skin care services, electrology services, nail salons, body art professionals, tattoo parlors, piercing shops, massage businesses, and spas.

- I. The business must be legal per Federal Regulations. This excludes any business which is considered adult entertainment, gambling, or cannabis or hemp related.

- J. The business must have held an active Costa Mesa business license for a minimum of six (6) months as of June 1, 2020 and have an active business license during the grant application process.

- J. The business must be legal and operating within commercial or industrially zoned area.

- K. The business within Costa Mesa must not generate more than an average annual gross-receipts of \$2.5 million.

- L. The business must be in good standing with the City, meaning it must be current on its business license fees and it must not have any active municipal code violations during the window to apply for the grant. Any code complaint or citation

issued after the application is submitted and found to be valid before the funds are issued must be resolved within 30 days of the citation. No grant award will be issued until the citation is resolved and if the citation is not resolved within 30 days the grant award will be issued to another business.

- M. The business must follow the State's, County's, and City's re-opening guidance for its industry.
- N. The business must submit a complete application, and all required supporting documentation.

Funding Priority

Any business omitted from the review process in the Small Business Relief Grant Program or Phase 1 Bridge Grant Program due to automatic duplication misallocation or an unsuccessful portal submission transaction, yet eligible, is prioritized for this program. The funding amount will be equivalent to the amount ought to be received in the Small Business Relief Program and Bridge Grant Program respectively. Applicant must have evidence that an application was submitted and received during the appropriate application window and must have contacted the City prior to January 1, 2021.

Use of Funds

The grant may be used for working capital to cover the business's day-to-day operating expenses such as rent or lease payments, mortgage payments, utility bills, payroll, inventory, technology, marketing/communication, or other similar expenses that occur in the ordinary course of operations. Grant monies may also be used toward the cost of obtaining personal protective equipment for staff and customers as well as devices intended to enhance safety of staff and customers, such as hands-free payment devices, sanitation supplies, and plexiglass partitions. To be eligible under this grant program, expenses must have been incurred after March 1, 2020 and all grant funds awarded must be fully expended on eligible activities by March 25, 2021.

- Applicants will complete a use of funds form that will detail whether the funds are to reimburse the applicant for past expenses and/or how the funds will be spent within their business.
- Applicants must sign and verify that the use of funds has been or will be spent on eligible activities.
- Applicants will be required to provide documentation verifying that the grant funds were used toward credible business expenses related to the COVID-19 public health emergency. Any use of funding other than for an eligible activity is strictly prohibited. The business must reimburse the City for any expenses found to be not in compliance with the program's list of eligible activities.

The City may inspect the business premises to verify the grant monies are being used in accordance with the program requirements.

Business expenses that have been reimbursed or paid for with money from the federal government, other COVID-19 related grants, and the Small Business Relief Grant Program are not eligible expenses for the Phase 2 Bridge Grant Program.

Examples of eligible expenses include, but are not limited to, the following:

- Rent
- Payroll
- Utilities
- Accounts Payable
- Inventory
- Purchase of PPE or Upgrades for COVID-19 related needs
- Contactless point of sale equipment
- Materials used to implement physical distancing protocols
- Wayfinding signage in both front and back of house.
- Additional cleaning and disinfecting supplies

Information Requested

There is one application window where a complete application with attachments must be submitted. The questions are meant to assess the business's eligibility. While minimum documentation will be required at this stage, to ensure a quick and streamlined application process, information about your revenue from last year and this year, and other details will also be needed to answer the questions. This process will require some documentation to be provided to LISC LA for review. All documentation will be collected and reviewed through a secure document management system.

Certifications

To ensure that the businesses receiving funds are eligible, information will be collected and verified by the City and LISC LA to certify they meet the eligibility criteria. The agreed-upon actions of the City and the LISC LA are listed below.

City:

- Confirmation of active business license
- Confirmation that the business is in good standing with the City
- Site visit to confirm they are in compliance with current health guidelines and orders
- Confirmation that their business resides within a commercial or industrially zoned area
- Certification that they have provided all necessary bills, invoices, and receipts and that they are eligible expenses (this does not occur upon submittal of application but after and upon request from the City of Costa Mesa)

LISC LA:

- Confirmation that they are the appropriate business type for this Bridge Grant
- Confirmation that they met all deadlines for the Grant Program
- Verification that an owner's domicile is in the County of Orange
- Verification that the business does not have annual gross receipts which exceed \$2.5 million

Applicant (self-validated):

- Self-Certification they will adhere to the health guidelines in the future.
- Self-Certification that the business has been negatively impacted by COVID-19
- Self-Certification that the business is a small business per the description provided by the County
- Self-Certification that they are a current business and while potentially closed due to health orders have every intent of reopening afterwards

Outreach & Engagement Plan

LISC LA and the City will produce an outreach and engagement plan that will notify as many businesses as possible about the grant program. This will include a flyer, press release, mass email based on business license information, and three webinars from produced by the City (one of the webinars will be in Spanish) with LISC LA representatives present at webinars to assist in answering questions. The City will provide regular mass emails during the process to its Business License list and post timely information on costamesabac.com/businesses and the City website. If the City receives eligible funding applications in excess of the available funding, then a live lottery will be organized by LISC LA to randomly select from qualifying applicants. There will be one portal to submit your application and the link to it will be provided at costamesabac.com/businesses.

Schedule

Action Items	Duration	Date
Secure Administrator	4 business days	January 11-29
Establish Program	10 days	January 15 - 29
Engagement Period	5 business days	January 29 – February 5
Application Period	5 business days	February 8 - 14
Eligibility Review / Lottery	5 business days	February 15 - 19
Document Submittal & Review	10 business day	February 22 – March 5
Disbursement	3 business days	March 8 – March 26
Deadline to Spend Funds	NA	April 30

Grant Application & Award Process

The grant application and award process will be as follows:

Engagement Period: The program will be advertised and promoted in advance. LISC LA will offer three webinars to help small business owners better understand the program and complete the inquiry and subsequent applications.

Application Period: The application window will be open from **Monday, February 8th at 9 AM till Sunday, February 14th at midnight**. Late applications will not be accepted. Applications can be submitted:

- Online Only. The link for to the application portal will be available before the application period commences. The link will be placed at costamesbac.com/business/
- No applications will be accepted that are emailed or dropped off in person. If an applicant has any issue with the application portal there will be a portal assistance contact provided by LISC LA

Any applicant can submit questions about the inquiry or the application process at:

- LISC LA's email: bridgegrantprogram@lisc.org

Eligibility Review: LISC LA and the City will review the applications. Depending on your application some applicants will be notified immediately they are not eligible. For everyone that is able to submit a complete application additional eligibility criteria will be reviewed by the City and LISC LA. If the number of qualifying applications received exceeds the amount of grant funds available, LISC LA will use a lottery system to randomly select the businesses that will be invited to submit an application.

Lottery (if necessary): Will be announced and held in mid February. The lottery will be broadcasted via Zoom live and all businesses that submitted an application will be notified via email.

Fund Deployment: LISC LA will then deploy the funds, including but is not limited to: the grant recipient must agree to an inspection by the City intended to verify that the grant monies are being used in accordance with the program requirements; the funds must be spent on eligible expenditures prior to April 30, 2021; the grant recipient will be responsible for providing documentation, including receipts, to the City that accounts for how the entirety of the grant monies received were used to fund eligible expenses; and the applicant will provide the City with any additional information or documentation related to these expenditures, if requested by the City, and provide all documentation of all expenditures to the City by May 10, 2021. A grantee who fails to meet these terms may be required to refund the grant.

Documentation for Verification of Eligibility

The documentation will be used to verify the business meets the program eligibility requirements, terms and conditions as provided in these guidelines. All applicants will be asked to provide the following:

- Copy of a driver's license or utility bill or mortgage/rent payment for an officer of the company to verify they all live in the County of Orange
- 2019 business tax returns (or 2018 if 2019 has not been filed)

LISC LA or the City reserve the right to request additional documentation, if necessary, to verify the business meets the program eligibility requirements, terms and conditions.

Contacts

If you have questions about the Bridge Grant Program, please contact:

City of Costa Mesa
Development Services Department
Phone: 714-754-5245

Costa Mesa BAC
Email: costamesabac@costamesaca.gov
Website: costamesabac.com/businesses



For assistance in completing the Bridge Grant application please contact:

LISC LA
Emma Kloppenburg, Program Officer
(213) 250-9550
bridgegrantprogram@lisc.org



EXHIBIT C

CITY COUNCIL POLICY 100-5

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
 - A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;
 - B. Establishing a Drug-Free Awareness Program to inform employees about:

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

1. The dangers of drug abuse in the workplace;
 2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- C. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- D. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
1. Abide by the terms of the statement; and
 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- E. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- F. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	3 of 3

- G. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.
2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
 - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
 - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
 - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
 3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.